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# USSR Report

INTERNATIONAL AFFAIRS

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13 September 1985

## USSR REPORT INTERNATIONAL AFFAIRS

### CONTENTS

#### WORLDWIDE TOPICS

Komsomol Official Views Moscow World Youth Festival (V. Fedosov; PARTIYNAYA ZHIZN, No 12, Jun 85).....	1
Control of Ocean Fish Resources, 200-Mile Economic Zones Viewed (Yuri Znamensky; NEW TIMES, No 29, Jul 85).....	8
Briefs	
Ambassadors at Book Fair	13
1968 Foreign Policy Documents Published	13

#### EAST-WEST RELATIONS

Soviet, U.S. CSCE Compliance Records Contrasted (Vladimir Katin; SELSKAYA ZHIZN, 3 Aug 85).....	14
Peace Stance of Religious Believers in East, West Contrasted (Moscow World Service, 16 Aug 85).....	16
Briefs	
CSCE Final Act Text Published	19

#### SOCIALIST COMMUNITY AND CEMA AFFAIRS

IBEC: Activities To Improve CEMA Economies (Vazha Jinjihadze; EKONOMICHESKOYE SOTRUDICHESTVO STRAN-CHLENOV SEV, No 5, May 85).....	20
--	----

### THIRD WORLD ISSUES

Table of Contents of Journal AZIYA I AFRIKA SEGODNYA (AZIYA I AFRIKA SEGODNYA, No 6, Jun 85).....	25
Review of Journal AZIYA I AFRIKA SEGODNYA No 6, 1985 (APN DAILY REVIEW, 28 Jun 85).....	27
Korean Solidarity Month Prompts New Unification Proposals (D. Kasatkin; AZIYA I AFRIKA SEGODNYA, No 6, Jun 85)....	30
South Africa 'Freedom Charter', Botha Constitution Contrasted (V. Sovetov; AZIYA I AFRIKA SEGODNYA, No 6, Jun 85).....	33
Book on Pakistan's Foreign Policy Reviewed (AZIYA I AFRIKA SEGODNYA, No 6, Jun 85).....	40

### GENERAL ECONOMIC AFFAIRS

Most-Favored-Nation Principle Discussed (Vladimir Shumilov; FOREIGN TRADE, No 7, Jul 85).....	42
--	----

### UNITED STATES AND CANADA

U.S. Military Capabilities in Western Europe Detailed (A. Drozhzhin; KRASNAYA ZVEZDA, 27 Jul 85).....	58
--	----

### WESTERN EUROPE

Lomeyko Discusses Ties With France, Nuclear Testing (APN DAILY REVIEW, 4 Jul 85).....	61
Cooperation With Turkey (Namik Yakubov; FOREIGN TRADE, No 7, Jul 85).....	63
Briefs FRG Writer Visits Kirghiziya	68

### EASTERN EUROPE

East European CEMA States: Technical R&D in Industry (A. Khachatryan; POLITICHESKOYE SAMOOBRAZOVANIYE, No 7, Jul 85).....	69
Direct Ties With CSSR (Oleg Zinchenko Interview; EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 5, May 85).....	77
Cooperation With Bulgaria (Georgi Jambov; EKONOMICHESKOYE SOTRUDNICHESTVO STRAN- CHLENOV SEV, No 5, May 85).....	84

Bulgaria's Banking System (Vasil Kolarov; EKONOMICHESKOYE SOTRUDNICHESTVO STRAN- CHLENOV SEV, No 5, May 85).....	91
--	----

Briefs Hungarian CP Delegation	97
-----------------------------------	----

## LATIN AMERICA AND CARIBBEAN

Cooperation Agreement With Nicaragua (EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 5, May 85). ....	98
--	----

Table of Contents: LATINSKAYA AMERIKA No 5, May 85 (LATINSKAYA AMERIKA, No 5, May 85).....	100
---	-----

Review of Journal LATINSKAYA AMERIKA No 5, 1985 (APN DAILY REVIEW, 31 May 85).....	102
---	-----

A Quarter Century of Fruitful Cooperation (APN DAILY REVIEW, [date unavailable]).....	104
--	-----

Aims of Nicaragua's Solidarity Committee Explained (Francisco de Asis Fernandez Interview; LATINSKAYA AMERIKA, No 5, May 85).....	109
---	-----

Congress of Latin American Economists Studies Regional Issues (A.N. Borovkov; LATINSKAYA AMERIKA, No 5, May 85).....	111
---	-----

Book on Latin America's Position in World Economic System (I.D. Ivanov; LATINSKAYA AMERIKA, No 5, May 85).....	117
---	-----

Collective Work on Socialist Construction in Cuba Reviewed (E. Ya. Sheynin; LATINSKAYA AMERIKA, No 5, May 85).....	121
---	-----

Political, Economic Precursors of Brazil's Presidential Vote (A.A. Sosnovskiy; LATINSKAYA AMERIKA, No 5, May 85).....	124
--	-----

Table of Contents of LATINSKAYA AMERIKA No 6, 1985 (LATINSKAYA AMERIKA, No 6, Jun 85).....	131
---	-----

Latin American Countries Prepare for Moscow Youth Festival (A.A. Kanunnikov; LATINSKAYA AMERIKA, No 6, Jun 85).....	133
--	-----

Ecuadorean Officials Stress Importance of Ties With USSR (Eduardo Carmigniani Garces, Leonidas Plasa Verduga; LATINSKAYA AMERIKA, No 6, Jun 85).....	137
--	-----

History of Early Colombia-USSR Relations, 50 Years Later (E.E. Litavrina; LATINSKAYA AMERIKA, No 6, Jun 85).....	140
---	-----

CEMA Exhibit in Mexico Seen Offering New Trade Possibilities (I.A. Vasil'kova; LATINSKAYA AMERIKA, No 6, Jun 85).....	145
Book Examines New Developments in Latin American Agriculture (Yu. G. Georgiyev; LATINSKAYA AMERIKA, No 6, Jun 85)....	149
Plans for UNESCO-Sponsored History of Latin America Discussed (A.N. Glinkin; LATINSKAYA AMERIKA, No 6, Jun 85).....	151
CHINA/FAR EAST/PACIFIC	
Sushkov on Trade With Japan (Vladimir Sushkov; FOREIGN TRADE, No 7, Jul 85).....	154
Cooperation With SRV (Yevgeni Rybalko; FOREIGN TRADE, No 7, Jul 85).....	161
MIDDLE EAST/NORTH AFRICA/SOUTH ASIA	
Trade Agreement With YAR (FOREIGN TRADE, No 7, Jul 85).....	170
Cooperation With India on MHD Plant (O. Kitsenko; PRAVDA, 26 Aug 85).....	175
Briefs	
Iraqi Delegation in Tashkent	178
Afghan Children Vacation in Kirghizia	178
Indian Youth Delegation Visits Tashkent	178

WORLDWIDE TOPICS

KOMSOMOL OFFICIAL VIEWS MOSCOW WORLD YOUTH FESTIVAL

Moscow PARTIYNAYA ZHIZN in Russian No 12, Jun 85 pp 71-75

[Article by V. Fedosov, secretary of the Komsomol Central Committee, deputy chairman of the Soviet Preparatory Committee for the 12th World Festival of Students and Young People, under the rubric "Toward the 12th World Festival of Young People and Students in Moscow": "An Appeal to the Planet's Youth: For Antiimperialist Solidarity, Peace and Friendship!"]

[Text] For the second time Moscow will be the center of the largest youth forum. The first time, the capital of our Motherland welcomed the 6th World Festival of Young People and Students in 1957. After that the baton in the relay race of peace and friendship among the planet's young people was carried by Vienna, Helsinki, Sofia, Berlin and Havana. Now once again it has passed to Moscow. The entire progressive world public supported the idea of holding the 12th World Festival in the Soviet Union.

This is yet another convincing testimony to the role and authority of the Soviet state and the peace-loving foreign policy course of the Communist Party, and a positive evaluation of the real contribution of the Soviet people to the cause of strengthening peace on Earth. The progressive international public supports and approves of the constructive peace proposals put forward by the Soviet Union recently. These proposals are aimed at preventing thermo-nuclear war, reducing armaments right down to a complete ban on and destruction of nuclear weapons and banning deployment of them in outer space.

Preparations for the festival are taking place in a difficult international situation. The forces of imperialism and reaction are pushing the world to the brink of nuclear catastrophe, intensifying the arms race and attempting to transfer it to outer space. It is primarily ruling circles in the United States of America which bear responsibility for the situation which has arisen. They openly seek world domination, create sources of international conflict, claim for themselves the "right" to interfere in liberation movements anywhere and threaten the heroic people of Nicaragua with military reprisals, attempting to deny them freedom and sovereignty. U.S. imperialism has stepped up its subversive work and is coordinating its actions against socialist states. This

extends to all spheres of activity: political, economic, ideological and military. Today the peoples of the world are coming to realize more and more clearly that it is essential that we make collective efforts to prevent a dangerous chain of events, that only the unity of all our planet's peace-loving forces is capable of barring the path of the militaristic policy of imperialist circles in the West. The young people of our planet clearly understand: only by acting as a unified front on an antiwar, antiimperialist platform can they make a contribution to curbing the arms race. This unity opens up the prospect not only of eliminating the danger of nuclear catastrophe, but also of saving millions of people from hunger and poverty, illiteracy and illness, increasing the standard of living of peoples in every country and on every continent. The following facts illustrate how acute these problems are. In developing countries the number of unemployed young men and women equals approximately 200 million persons. This problem is no less acute for developed capitalist countries as well: in Italy, for example, there are estimated to be 1.7 million unemployed young people. Last year the share of young people among the unemployed in Spain reached 43.5 percent, in Italy 34 percent, in France 27.5 percent, in Great Britain 23.5 percent, in the United States 17 percent and in the FRG 14.7 percent.

Hence the extreme timeliness of the motto of the 12th World Festival of Young People and Students: "For Antiimperialist Solidarity, Peace and Friendship!" This motto was adopted in the name of representatives of 186 international, regional and national youth and student organizations from the 92 countries which took part in the work of the 1st Meeting of the International Festival Preparatory Committee in February 1984.

The motto of the 12th World Festival met with broad support among youth and student organizations of the most diverse political, ideological and philosophical orientations: communists, socialists, social democrats, liberals, radicals, centrists, Christian democrats, representatives of the peace movement and women's organizations, conservationists and many others. They are participating actively in prefestival activities and in mass actions of an antiimperialist, antiwar nature. All this convincingly emphasizes the political will of the younger generation and its efforts to close ranks and work out a common platform of actions in the struggle for peace and cooperation among peoples.

Of course, certain forces in the West cannot tolerate this. On a wave of warlike declarations and slanderous anti-Soviet campaigns they have made attempts to split the progressive youth movement, undermine it from within, discredit the festival's noble ideas and cast doubt on the very fact of the possibility of holding the regular youth forum of the planet on a democratic basis in Moscow.

One of the attempts to organize something like a counterfestival was a youth meeting in Jamaica in April, with funding by and under the sponsorship of the United States. As is well known, it was a humiliating failure. Not a single self-respecting and authoritative youth organization sent its representatives to Kingston. Behind the noisy publicity meeting promising "unique days," the hard hand of such agents of "democracy" as the USIA and the CIA was visible to all. From the very beginning it became evident that behind

discussions of the necessity of creating some new international organization during the meeting, an organization which would "preserve the values of the free world by peaceful means," there lay only the effort to throw together a block of right wing youth organizations and create a sort of "fifth column" within the international youth movement. This effort did not succeed! Many leaders of Western youth and student organizations saw through the carefully disguised aims of those organizing the events in Jamaica. Expressing their negative stance on this farce in the youth field, young people's organizations affirmed their readiness to participate in the Moscow forum and to develop festival traditions.

The 4th Session of the International Preparatory Committee, which was held in Moscow at the end of March and the beginning of April, was brilliant proof of growing interest in the festival. Emissaries from 126 countries and representatives of 165 national preparatory committees of national, regional and international youth leagues participated. All in all, representatives of almost 150 countries came out in favor of participation in the Moscow forum.

Preparations for the meeting of the planet's young people have entered their culminating phase. A major contribution to this work was made by fraternal youth leagues, the VFDM [World Federation of Democratic Youth] and the MSS [World Student League]. The Permanent Commission of the International Preparatory Committee is laboring fruitfully. It includes 34 national preparatory committees, nine international and regional youth and student organizations. It has truly become the principal instrument of international preparations for the 12th World Festival.

The main result of the work done is the fact that there was success in reaching basic agreement within a short period of time on the principles of preparing for and conducting the festival movement, increasing the vanguard role of young communists within it and strengthening its progressive nucleus.

An important landmark in preparations for the 12th World Festival was the adoption of a festival program at the 4th Session of the International Preparatory Committee. Adoption of this document represented the main political result and success of all prefestival work.

The festival program encompasses all the special features of the current year which help make the Moscow forum a major political action for peace and disarmament, a brilliant celebration of youth and a memorable cultural event. But a special place therein is devoted to events dedicated to the 40th anniversary of the Victory over German Fascism and Japanese militarism.

The program also takes into account such dates as the 10th anniversary of the Final Act of the Helsinki Conference on Security and Cooperation in Europe, the 40th anniversary of the UN and the 40th anniversary of the atomic bombing of the cities of Hiroshima and Nagasaki by the United States. Festival events are closely connected with problems of the International Youth Year, the motto of which is "Participation, Development and Peace!"

What are the distinguishing characteristics of the current festival program?

It provides for six directions: political, student, cultural, athletic, children's and tourists'. Each of them offers a multitude of diverse events, unified ideologically by the forum motto.

In addition to traditional, well-proven forms, the program also includes new forms. Thus, realization of the political portion of the program has been transferred to thematic centers, of which there will be 15. Among these is the center for peace and disarmament, the antifascist center, the center for antiimperialist solidarity, the international student center and others. This gives each participant the opportunity to choose a theme which he feels strongly about and which corresponds to his level of preparation and professional interest.

Each of the days of the festival, with the exception of the opening, the closing and the second-to-last day (traditionally dedicated to the host country) will have its own theme. These are themes which concern the younger generation: young people and students for peace, the prevention of nuclear war, disarmament; young people and students fighting for their rights; young people and students for economic cooperation, development and a new international economic order; young people and students for security and cooperation. Each of the days is marked by a central rally corresponding to one of the topics mentioned above. In addition, during the days of the festival Moscow will hold numerous rallies of solidarity with the peoples, young people and students of individual countries, regions, groups of countries and individual states.

A star march by festival participants and guests as well as representatives of Soviet youth to the central event is planned; the central event will be dedicated to the 40th anniversary of the Victory over Fascist Germany and militarist Japan, and to the struggle of the younger generation for peace around the world. A conference will be held on the topic "Security and Cooperation 10 Years After the Conference on Security and Cooperation in Europe," as will a meeting with the victims and second generation of Hiroshima and Nagasaki. The second distinguishing feature of the program is the fact that all cultural and athletic events will not be of a competitive nature. This means that each person -- whether performer or athlete -- will be simultaneously a participant and a winner in an international exhibition of young people's strength, beauty and skill.

Among participants in the Soviet cultural program will also be collectives like the State Dance Ensemble under the direction of I. Moiseyev, Hero of Socialist Labor, recipient of the Lenin Prize and people's performer of the USSR; the Leninist Komsomol Prize-winning Zebo Ensemble (Tadzhikistan); the children's groups Shkolniye gody [School Years] and Kalinka [Snowball Tree]; the choreographic collectives Solnechnaya raduga [Rainbow] (from Perm Polytechnical Institute), Yunost [Youth] (from Lvov Oblast Administration for Vocation and Technical Education); the Orenburg People's Chorus; the ensembles "Mengo" (Yakutiya), "Letuva" (Lithuania), "Kanaz" (Armenia); and many others.

One of the events on the host country's cultural program will be a gala concert by the Soviet delegation at the Palace of Sports at the Central Stadium imeni V. I. Lenin at Luzhniki. Soviet and foreign performers will offer a total of over 100 concert spots daily. The largest of these will be the territory of

the Central Park of Culture and Rest imeni Gorky, which for the duration of the festival will be turned into an international "Park of the Arts."

In festival sporting events, preference will be given to sports played as games. Also, the program will include demonstrations of popular national games, which will accompany many festival sports contests. It is planned that sport events in Moscow will be conducted as comradely meets.

The palette of the festival program is exceptionally broad: there will be a Day of Struggle for Peace and Against the Arms Race, a Young Women's Celebration, meetings of persons having the same profession, rallies, demonstrations, a solidarity bazaar, concerts, displays, discussions and seminars, roundtable discussions, athletic competitions, etc. More than can be counted! Each day of the festival there will be 100-120 major events. And on USSR Day young people and students from the host country will welcome approximately 20,000 foreign delegates and over 20,000 Soviet and foreign tourists at plants and factories, on kolkhozes and sovkhozes and in educational institutions. Forum delegates will meet with members of the Commission for Conducting the International Youth Year in the USSR, members of the Presidium of the Supreme Soviets of the USSR and the RSFSR, heads of ministries and departments, public organizations and the leading mass information media, and representatives of broad groups of the people. On that day festival participants will be guests of Soviet children and will visit workers' families.

In the course of preparations for the 12th World Festival, Komsomol committees have made creative use of their time to increase young people's political and labor activism, strengthen the communist education of young men and women and mobilize them for successful resolution of the tasks of the 11th Five-Year Plan and a worthy welcome to the 27th CPSU Congress. This is attested to by reports from the All-Union Festival of Soviet Youth, which is being held in the country's Komsomol organizations within the framework of preparations for the 12th World Festival forum. The results of one of these stages, dedicated to the 40th anniversary of the Victory, are heartening. Young men and women participated actively in patriotic actions dedicated to our nationwide celebration: Victory Day. The most important cause of Komsomol organizations were patronage of veterans, invalids of the Great Patriotic War, families of soldiers killed in battle, memorials and obelisks to heroes, and establishment of Victory Parks and Peace Parks.

Komsomol organizations held mass political song festivals, solemn memorial services by figures in literature and the arts and performances by musical collectives. Political courses, lectures and talks on prefestival topics, meetings with participants in previous youth forums, international friendship evenings, political poster exhibits, solidarity rallies and many other events were held successfully.

An All-Union Action by pioneers and school children was held with the title "To the Festival Participants From the Children of the Land of the Soviets." It included the contests "Pioneer Souvenir," "Flowers for the Festival," "My Gift to the 12th World Festival" and many others.

Our young people well understand that the best contribution that they can make to the 12th World Festival is their shock work. Thousands of young people pledged to fulfill their five-year plan goals before the beginning of the Moscow forum, and work for the duration of it using fuel and energy resources saved through conservation. Komsomol youth Saturday and Sunday volunteer work days and other labor actions donated to the festival fund were widespread. At present, tens of millions of rubles have been contributed to this fund. Sponsorship of the production of items bearing festival symbols has increased. Industry is already producing approximately 4,000 such items.

Young workers in Moscow and Leningrad, the Ukraine and Belorussia, the Baltic republics and Transcaucasia, and young men and women from all union republics, krais and oblasts are acting as example of selfless labor and efforts to make a worthy contribution to festival preparations.

A Komsomol youth brigade of plasterers in the Yerevanstroy Production Association pledged to increase its workload by 10 percent and complete its six-month plan goal a month ahead of schedule. The brigade successfully fulfilled its obligations.

Young people in Kursk Oblast held several Komsomol Saturday work days and contributed the money thus earned to the 12th World Festival fund. Students at Kursk Pedagogical Institute will work without pay their entire working semester this year. The best student unit will be awarded the honorary title of "Unit imeni 12th World Festival of Young People and Students."

A total of 45,000 young men and women in Leningrad city and oblast and 1100 Komsomol collectives have pledged to complete their five-year plan goals by the beginning of the festival, working under the motto "All Growth in Production Volume On the Basis of Technical Progress, Maximum Utilization of Equipment and Conservation of Resources." A. Khankarov's Komsomol youth assembler brigade at the Rostselmash Production Association imeni Yu. V. Andropov made the decision to increase labor productivity by three percent above plan and lower production overhead by an additional 1.5 percent above plan.

The results of the competition among Komsomol members and all young men and women for the honor of representing Soviet youth at the World Youth Forum have been tallied. This high honor was bestowed upon 2,000 of the best representatives from among workers and village youth, university students, vocational and technical students and school children, figures in literature and the arts and athletes. All over the country assemblies and rallies are being held, at which young people are giving instructions to their delegates.

Preparations for the festival gave a new impetus to the Peace March of Soviet Youth. Today it has become a Festival March; during it, numerous antiwar rallies, demonstrations, action weeks against the arms race and peace contests have been held. Through active measures the young Soviet public has expressed its solidarity with peoples and with young people fighting against imperialism and for their national independence, democracy and social progress. Young people have contributed significant sums to the Soviet Peace Fund; with these funds, material assistance is rendered to peoples which have suffered calamities and deprivation as a result of wars and aggression.

The largest joint action carried out by the Leninist Komsomol and the youth leagues of socialist countries was the "Memory" patriotic acts contest among young people in socialist countries. It further strengthened ties between fraternal youth leagues and significantly enriched the content of their work in educating the younger generation in a spirit of socialist internationalism. One of the patriotic acts by Soviet young people within the framework of the contest was the establishment of a symbolic All-Union Park of Peace and Friendship.

The experience of holding previous festivals tells us that the success of the forum depends in large part on the information and propaganda work connected with it. This is why the Soviet Preparatory Committee and its subordinate departments are trying to do everything possible to propagandize widely ideas of the festival and tell how preparations for it are going. In accordance with a plan for information and propaganda measures, the Komsomol Central Committee has, in advance of the festival, provided for publication of the monthly magazine VESTNIK FESTIVALYA [FESTIVAL JOURNAL] in six languages, special informational materials for the press and a festival insert in the NOVOSTI PRESS AGENCY magazine SOVETSKAYA PANORAMA. During the festival, a festival newspaper entitled DRUZHBA [FRIENDSHIP] will be printed in four languages. All Komsomol publications have introduced festival columns and other newspapers and magazines in our country are actively informing the public of the course of preparations for the youth forum in Moscow. Central Television and All-Union Radio also regularly report on the 12th World Festival.

Komsomol committees and mass information media regularly receive graphic agitation materials on festival topics: books, brochures, badges, calendars, souvenirs, booklets etc. Active propaganda work is being conducted by means of exhibits dedicated to the 12th World Festival; these have been set up both here and abroad. Work is being finished up on the plan for the thematic and display design of all festival events and sites. To aid services and staffs, for the first time the automated information system "Festival" will be used.

Lively interest in the Moscow festival and active prefestival preparations give us reason to assume that the 12th World Festival will be a very major antiwar, antiimperialist demonstration by our planet's youthful forces, and will write a shining new page in the cause of strengthening young people's friendship, solidarity and unity in their common struggle for a peaceful future for mankind.

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WORLDWIDE TOPICS

CONTROL OF OCEAN FISH RESOURCES, 200-MILE ECONOMIC ZONES VIEWED

Moscow NEW TIMES in English No 29, Jul 85 pp 27-29

[Article by Yuri Znamensky]

[Text]

The World Ocean is a colossal source of food that can provide the fast-growing population of the earth with the protein it needs. The world catch of fish has trebled since the 1950s to reach some 80 million tons in 1984. Among the biggest fishing countries are Japan (11.3 million tons), the U.S.S.R. (10.5 million), China (5 million) and the U.S.A. (more than 4 million tons). Increasing the harvesting and use of sea products and improving nutrition, especially in the less developed countries, is today a global problem.

Health Products

Fish provides almost half of all the animal food consumed in several countries. While the world average per capita consumption of fish stands at 16-17 kilogrammes a year, the figures for different countries vary widely, from, say, 30 kilogrammes in Scandinavia, to 12-15 kilogrammes in Southern Europe, to 10 kilogrammes in some developing countries and a mere 1.5 kilogrammes in India.

Fish and shellfish are often called health foods. Their consumption does not lead to the accumulation of cholesterol in the human organism and helps it to get rid of salts. Many fish products have the best possible proportions of calcium, phosphorus, various microelements, amino acids and vitamins. For this reason they are highly valued on the world market.

Fish and its products are important export income earners for many countries. For example, in 1982 Norway sold 700,000 tons of fish products worth \$900 million, Iceland 360,000 tons (\$500 million), Canada 530,000 tons (\$1.3 billion). Japan, the world's leading fishing power, is at the same time a major importer of fish products. It exports mostly mass types of fish products, and imports valuable products, in particular shrimps.

Bioresources:  
Geography...

The consumption of sea products is constantly on the rise, and fishermen are in no danger of going without a job. According to the U.N. Food and Agriculture Organization (FAO), the demand for fish on the world market will outstrip supply at least until the year 2000, when the total catch will be 113 million tons.

At the same time, we can easily see that the bioresources of the sea are unevenly distributed in the World Ocean. The Pacific (the biggest ocean, with an area larger than the earth's total land area) is also the richest in resources. While fishing in the Atlantic has plateaued and the Indian Ocean yields insignificant catches, the Pacific catches are constantly growing, so that it now accounts for 55 per cent of the world's fish catch. The Pacific basin includes some relatively shallow seas around its edges, numerous underwater ridges, ocean floor elevations that sustain

flora and fauna. The northwestern and southeastern parts of the Pacific have the benefit of the powerful Kuroshio and Peruvian currents. The average yield of bioproducts in the Pacific is 200 kilogrammes per square kilometre, but in some areas it is upwards of 3 tons. It is inhabited by dozens of species of fish, crabs, shrimps, nutritious molluscs, echinodermata and weeds which provide excellent raw material for the pharmaceutical and food industries.

The northern parts of the Pacific are very productive and have large fish populations. The northeastern areas provide the Canadians and Americans with most of their catches and Japanese fishermen with 90 per cent of their quota. In the early 1980s the U.S. quota in its fishing zones was fixed at 1.2-1.3 million tons. Japanese catches were particularly large near the Aleutians, Hawaii and in the bay of Alaska. The Japanese quota there was substantially reduced (by 25 per cent in 1983 alone) when the U.S.A. established a 200-mile economic zone there.

The U.S.A. is bringing pressure to bear on its main fishing rival through various means, one being the phased fixing of quotas, depending on the results of its own fishing and on how Tokyo complies with various American demands. This makes Japan heavily dependent on the fishing policy of the U.S.A. For example, the Japanese-American agreement of 1982 provides for the transfer of Japanese fish-processing technology to the U.S.A. and for other measures to boost the U.S. fishing industry. Tokyo managed to extend its permit for catching specified products in the American zone, but not until it granted \$200 million to the U.S.A. for, of all things, the development of its fishing industry. In addition, the Japanese press notes, the country now spends hundreds of millions of dollars on the import of salmon and other sea products and raw fish. Washington's tough position vis-à-vis Japan and other countries has enabled the Americans to shoot to fourth place in the world in terms of their catches of fish and other sea products.

## ... and Politics

One of the most acute problems is the netting of valuable fish, such as salmon, in the northeastern Pacific. In 1978, the so-called "restraint line" established in the 1950s at longitude 175 degrees west was moved a further 10 degrees from the American coast. Thus the access of foreign fishermen to salmon in the northeastern Pacific was severely curtailed.

Fishing practice and research show that marine fishing for salmon depletes the population of these migratory fishes which have marine and river cycles of development. Fish that migrate to rivers to spawn are caught by fishermen in these countries on the approach to the river mouths where they can be counted literally one by one so that catches can be regulated to ensure the growth of the fish population.

A new stage in international fishing opened with the establishment of 200-mile economic zones at the time when the U.N. Convention on the Law of the Sea was being drawn up (it will come into effect a year after being ratified by the 60 signatory states). Instead of free access for all fishermen to the rich coastal areas, sovereignty of fishing in coastal waters has now been recognized for littoral states. Most littoral states have already established economic zones, which has dramatically increased the importance in international fishing of the existing and newly concluded multilateral and bilateral agreements. As a rule, these are concluded for the sake of mutually beneficial fishing in these zones. To solve specific issues—to ascertain bioresources, catch volumes and protection measures—international commissions are set up as part of these agreements. Some commissions involve several dozen countries. Among them are the International Council for the Exploration of the Sea, the Commission for the Conservation of Antarctic Marine Living Resources, the International Whaling Commission, the North Atlantic Salmon Conservation Organization and the International North Pacific Fur Seal Commission.

Bilateral agreements on mutual fishing remain at least as important

as before. The results of fishing depend, to a great extent, on how well the fishermen of the two countries agree to regulate fishing in this or that area. Such agreements are all the more important because, despite the growing international cooperation in fishing, its efficiency leaves something to be desired. The coastal resources of many parts of the World Ocean are insufficiently tapped. According to FAO estimates, an additional 17 million tons of sea food could be caught off the American coast without any detriment to the fish population, an extra 5 million tons could be caught off the Asian and African coasts, and 3 million tons off Australasia. If these resources were tapped, the world catch would reach 100 million tons. In other words, the fishing industry could provide the world's population with far greater quantities of nutritious products than they do today.

Mutual fishing between neighbouring countries has long been a form of cooperation at sea and it originated broad international fishing ties. The Soviet Union was a pioneer of such cooperation. Possessing one of the longest coastlines, the Soviet Union has always allowed the fishermen of littoral countries to catch fish in our maritime areas in exchange for access to their economic zones. We have mutual fishing agreements with Bulgaria, the G.D.R., the Democratic People's Republic of Korea, Norway, Poland, Finland, Denmark (around the Faroe Islands), Sweden and Japan. These agreements make it possible to implement wide-scale scientific and technical programmes that are of benefit to both sides, and to achieve a pooling of efforts that produces better results at a lower cost.

### **Mutual Benefit**

What are the benefits that accrue from mutual fishing? First and foremost, this form of cooperation makes it possible to supply fish products to consumers all year round. Also, the extension of the fishing period ensures year-round employment for workers, the planned utilization of vessels and processing industries. Fishing off the coast of

neighbouring countries makes it possible to diversify supply by catching fish unavailable in one's own fishing zone. For example, poutassou, which sells well in this country (especially when smoked), is mostly caught off the northern Faroe Islands, and iwashi off the Japanese coast.

Fishing is heavily dependent on the weather. Soviet fishermen, equipped with supertrawlers, factory ships and floating canneries, can operate all year round in many parts of the World Ocean where local fishermen stop fishing for the autumn and winter months.

The universal establishment of 200-mile zones made the Far Eastern waters particularly important for Soviet marine fishing. Conditions there became more favourable than in the Northern and Western seas, the Sea of Azov and the Black Sea basin. The Bering and Okhotsk seas and the Sea of Japan, as well as some areas of the northwestern Pacific occupy less than 3 per cent of the World Ocean area, but account for more than one fourth of the total world catch. The U.S.S.R. takes 40 per cent and Japan 85 per cent of their catches there. It is an important fishing area for the Chinese and Koreans, too.

### **Experience of Cooperation**

Fish and other sea foods provide one half of the animal protein in the diet of the Japanese, and about one fifth in the diet of Soviet people. Hundreds of thousands of people in both countries have devoted their lives to the fishing industry. The two countries are also similar in that both use most of their catch for domestic consumption and not for export.

Exploitation of the same marine resources for many years in adjacent areas is impossible without close cooperation. Difficulties in negotiations did arise, but both sides invariably found mutually acceptable solutions, even when their positions seemed to

be poles apart. Their constructive approach to their common problems played no small part in making the U.S.S.R. and Japan leading fishing powers. Cooperation in fishing has given a fillip to Soviet-Japanese economic ties. Imperial Japan opened fishing negotiations with Soviet Russia back in 1923 after the government of the Russian Federation had issued regulations on the exploitation of the fish and marine animal resources in the Far East. The first long-term bilateral fishing convention, signed in 1928, guaranteed non-discrimination and invariable respect for each other's interests. The first postwar fishing agreement between the U.S.S.R. and Japan was signed in 1956 at the height of the cold war, before diplomatic relations between the two countries were resumed, and one year before a trade agreement was reached between them.

The history of fishing relations between the two countries has some sad episodes when one-sided actions led to the overfishing of iwaashi sardines, the shrinking of the salmon population, depletion of the Sakhalin-Hokkaido and Korf-Karaginaki herring shoals and other adverse consequences for the fauna. All this had a bad effect on the fish catch in the two countries. The participation of scientists in the settlement of complex issues of rational fishing, and close scientific-technical cooperation have become imperative for the preservation of the stocks of fish.

### New Agreements

The introduction of 200-mile zones presented a serious threat to our two countries, both of which fish far from their coasts. It made them redeploy their fleets and partially restructure their fishing industries. Yet even in this complex period, the U.S.S.R. and Japan managed to agree

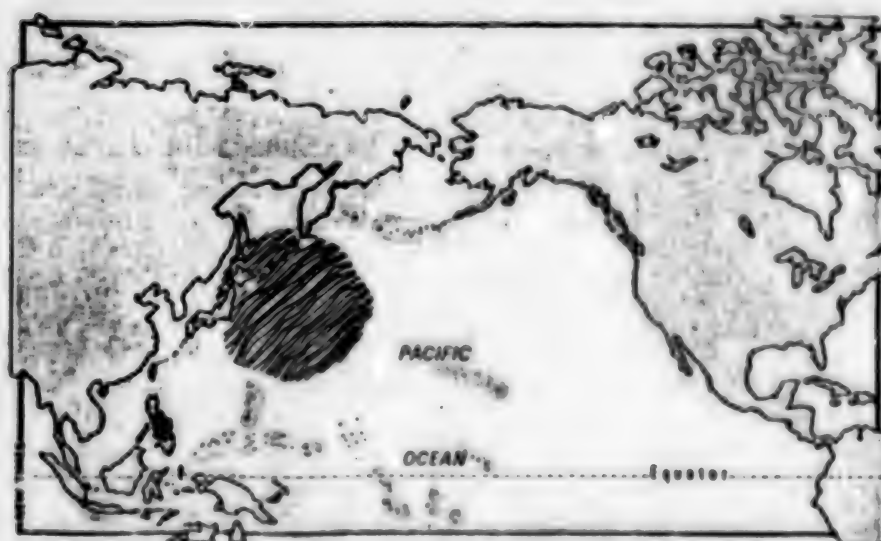
to temporary measures to regulate their cooperation in the northwestern Pacific in 1977-84. Significantly, some of these agreements were concluded even before the U.N. Convention on the Law of the Sea was signed.

The Soviet Union was one of the last countries (1984) to pass legislation setting up an economic zone. In accordance with the law On the Economic Zone of the U.S.S.R. and the Convention on the Law of the Sea that reaffirms the right of every state to determine its fisheries policy towards other countries for the preservation and rational use of the bioresources, the Soviet Union naturally had to revise its relations with Japan.

December 1984 saw the signing of an agreement between the government of the Soviet Union and the government of Japan on mutual relations in fishing off the coasts of the two countries. And an extraordinary session of the Soviet-Japanese fisheries commission was held in Moscow in early 1985. Our delegation sought equal and mutually beneficial terms of fishing. We proposed setting quotas for 1985 that would offer the fishermen of the two countries equal conditions. The protocol established equal fishing quotas and extended the Soviet fishing period off the eastern coast of Japan to include a better fishing season. As before, fishing boats will have mooring facilities in the ports of the two countries to replenish their food stocks and rest their crews. The new Soviet-Japanese fisheries agreement, drawn up and signed (on May 12, 1985) in keeping with the new Soviet legislation and the U.N. Convention on the Law of the Sea, covers such important aspects of cooperation as scientific and technical exchange, joint research into the biological resources in the 200-mile zones, cooperation in fish-farming, and the joint study of migratory fish. A new

basis has been established for the use of Soviet-originated salmon that takes into account the special Soviet rights to its stocks.

The experience of years of cooperation between the fishermen of the two neighbouring countries has enabled them to find mutually acceptable solutions that correspond to the changed conditions of international fishing. The new long-term agreements between the U.S.S.R. and Japan have provided a sound legal basis for the further development of partnership on the sea.



This part of the Pacific accounts for less than 5 per cent of the World Ocean, yet more than a quarter of the world's fish is caught here.

CSO: 1812/327

WORLDWIDE TOPICS

BRIEFS

**AMBASSADORS AT BOOK FAIR**—On 23 July B.N. Pastukhov, chairman of the USSR State Committee for Publishing Houses, Printing Plants, and the Book Trade, met with the heads of diplomatic missions accredited in the Soviet Union and addressed them on the subject "The Fifth International Book Exhibition and Fair in Moscow and the Role of the Book in International Contacts." The visitors looked over the exhibition of book illustrations and familiarized themselves with Soviet publications. The meeting was organized by the USSR Foreign Ministry Protocol Department. [Unattributed report: "Meeting Held"] [Text] [Moscow IZVESTIYA in Russian 24 Jul 85 Morning Edition p 4 PM]

**1968 FOREIGN POLICY DOCUMENTS PUBLISHED**—The second book in the volume entitled "For Peace and the Peoples' Security. USSR Foreign Policy Documents. 1968," prepared by the USSR Foreign Ministry, has been published. It covers the period July through December. The items in the book show the steady and consistent implementation of the Leninist peace-loving course by the CPSU Central Committee and the Soviet Government and the intensive efforts made by the USSR and the other socialist community countries to comprehensively develop and improve their cooperation. The documents demonstrate the Soviet Union's good will to develop bilateral ties with capitalist states. The volume reflects the growth in the Soviet Union's prestige in the international arena. The book is published by the Political Literature Publishing House. [TASS report under headline: "Publications"] [Text] [Moscow PRAVDA in Russian 1 Aug 85 First Edition p 4 PM]

CSO: 1807/458

## EAST-WEST RELATIONS

### SOVIET, U.S. CSCE COMPLIANCE RECORDS CONTRASTED

FMOS1057 Moscow SELSKAYA ZHIZN in Russian 3 Aug 85 p 3

["View of Events" by Political Observer Vladimir Katin: "Milestone in Europe's History"]

[Excerpt] The Helsinki accords lay down the main duty of all the participants --to ensure the Europeans' right to life. The paths to the attainment of this noble goal are also outlined, in particular the transition from enmity to confidence and broad cooperation. But the United States has systematically violated these commandments, ultimately bringing Europe to the danger point. If we consider objectively the situation on the continent today compared with what it was 10 years ago, the picture is not at all reassuring--alas, there is less security and tension has increased. The United States struck the strongest blow against the Helsinki accords and detente by siting its new nuclear missiles in Western Europe. It transpires that the peoples' very right to life is in effect jeopardized--that is, the right which, under the Final Act, their governments pledged to guarantee for them. The blame for this also rests with those who consented to the siting of American missiles in their countries.

The sphere of trade and economic ties is the clearest indicator of the effectiveness of the detente policy which the Helsinki accords enshrine. Over these years the USSR has increased the volume of its trade with all the conference participants except the United States. In all, in the period from 1975 through 1983 trade turnover between the West European countries and CEMA countries increased from \$41 billion to \$74 billion.

Thus the Helsinki process proved convincingly that economic cooperation forms the material basis for detente, as for the entire policy of peaceful coexistence between states with different social systems. It is noteworthy that the period following the all-European conference was marked by the conclusion of an unprecedented number of trade, economic, scientific, and technical agreements between the European socialist and capitalist states, and as a rule they are long-term agreements. The USSR concluded such agreements with practically all the West European countries, and its trade turnover with them has almost doubled in the last 10 years. It is apposite to recall that orders from the USSR and the other socialist countries provide work for more than 2 million people in the industrially developed Western states (who are mostly participants in the Helsinki conference).

In this connection mention must be made of the opposite approach to cooperation on the part of the United States, which throughout these years has constantly been imposing sanctions, boycotts, and embargoes on trade with countries in both Eastern and Western Europe. This is a flagrant violation of the Helsinki accords, which speak of the impermissibility of the use of trade as a means of pressure for political purposes. At the same time life itself and practice show that the effectiveness of such sanctions is extremely low, and not infrequently they hit those who impose them. Thus because of the embargo on grain sales to the USSR, losses to American businessmen amounted to billions of dollars. U.S. sanctions against the USSR and its West European partners in the "gas for pipes" project were in operation for only 5 months and were eventually lifted without having caused them the serious difficulties which Washington was counting on.

In the last 10 years the Soviet Union has considerably expanded its cooperation with West European partners in the form of contacts between people and exchanges in the sphere of culture. (SELSKAYA ZHIZN cited specific examples of such contacts in its issue for 30 July of this year).

In this sphere too the United States has shown itself to be violating the Helsinki accords--it almost entirely broke off cultural cooperation with the USSR and stopped many exchanges of visits by personalities in the arts and science, even banning the showing of exhibits from the Hermitage in the United States. The U.S. reluctance to fulfill a whole series of provisions of the Final Act is indicated by its withdrawal from UNESCO, which undermines the peoples' cooperation in the sphere of education, science, and culture.

All these facts and other show that alongside the substantial positive groundwork which exists for detente in Europe, there are also processes aimed at undermining it. The Soviet Public, expressing concern at this negative phenomenon, are at the same time expressing faith in the future of the Helsinki process of detente. As E.A. Shevardnadze, member of the CPSU Central Committee Politburo and USSR foreign minister, noted, "there is a broad understanding that the process which began with the all-European conference should be continued in a positive spirit." "In this sense," he stressed, summing up the results of the Helsinki jubilee meeting, "This meeting was a step forward." But further progress along the path which the Helsinki conference started requires political will not only from the Soviet Union, but also from the United States and the West as a whole.

CSO: 1807/458

## EAST-WEST RELATIONS

### PEACE STANCE OF RELIGIOUS BELIEVERS IN EAST, WEST CONTRASTED

LD161954 Moscow World Service in English 1550 GMT 16 Aug 85

[Text] In letters to Radio Moscow, listeners wonder about the position of believers in the socialist countries. The questions are answered in the following program by commentator Viktor Olenichev. This is what he writes:

A list of candidates for the coming general elections in Poland was released recently. The candidates include the chairman of the Public Catholic Union, Zbigniew Zieliński, the chairman of the Christian Public Union, Kazimierz Morawski, and two other prominent Catholic figures--Jerzy Ozdowski and Jan Dobraczynski. There are also other names. All these people will be running for the Sejm, the country's legislature, on a par with representatives of the Polish United Workers' Party, the United Peasant Party and the Democratic Party as well as the trade unions.

Religion or atheism is a matter for everyone's conscience. Freedom of conscience is guaranteed by law in the Soviet Union and the other socialist countries. Just as any person in the socialist countries, believers are concerned over the complex international situation. They support the foreign policies of their states, which are based on highly moral principles. Believers regard as something fully in keeping with high morals such initiatives as the Soviet Union's pledge not to use nuclear weapons first, its proposal to freeze nuclear arsenals and the recent Soviet moratorium on all nuclear explosions. Believers favor a realization of the proposal the countries within the Warsaw Treaty Organization have made to the NATO nations to conclude an agreement about nonuse of armed force between the two groupings.

It is characteristic that the efforts of the socialist countries to remove the nuclear threat have the understanding of believers in other countries. I can quote a letter received from the Rev (Paul Weaver) in the American city of Everett in the State of Pennsylvania. He wrote that millions of Americans were appealing to the Soviet leader Mikhail Gorbachev to guide the world along a path of peace. Americans did not need "star wars", wrote the clergyman to the general secretary of the Soviet Communist Party. They did not need more bombs or missiles, more chemical or biological weapons.

But there are forces in the world who don't like this stand of the believers. They regard the stand as a threat to their own aggressive plans; that applies

to the United States administration above all. The Administration is trying to use the adherence of people to the dogmas of faith in its own interests. In this Washington pins certain hopes on the rightwing circles in the Vatican, the more so that these circles have been lately playing an increasingly more noticeable role in the formation of the policy pursued by the Holy see. For how else can one explain why the report on an international conference sponsored last January by the Papal Academy of Sciences has not been published so far? At that meeting scientists of nine countries, including the Soviet Union and the United States, drew attention to the extreme danger to mankind of the American "Star Wars" program. They suggested diverting resources instead of militarization of outer space to solving such pressing problems as hunger and backwardness.

According to the press, including the Catholic press, the harassment of adherents of the theology of liberation in Latin America by the Vatican, congregation for the Affairs of the Faith, also plays into the hands of the United States. This is despite the fact, wrote the Venezuelan newspaper NACIONAL, that the supporters of this theology are defending the interests of the dispossessed sections of the population and are moving in to serve the poor neighborhoods. They uphold the right of the people to freedom and education and oppose the dictatorial regimes and exploitation.

Does that run contrary to the moral precepts of the Gospel? According to the Polish weekly ARGUMENTY, in its documents on some aspects of the theology of liberation the Vatican is out to scare the layman with Marxism, and it calls the socialist countries the disgrace of our times.

I also have to mention the following event in this connection, this was a recent congress in the West German city of Koenigstein of representatives of the Catholic Church. The official subject of the congress was the Church, the nation, peace. But what the congress dealt with for 4 days had nothing to do with the agenda. Not a single word of concern for peace was said. The speeches were damagological and incited laymen to attacks against the socialist countries. Could the congress really have dealt with peace?

Considering the fact its sponsor was a West German Catholic organization called the Church in Trouble, that maintains close contacts with the revenge-seeking forces in the Federal Republic of Germany, it was not surprising that the chairman of that country's Christian Social Union, Franz Josef-Strauss, whose views are well known, attended the congress. But what was signified by the presence at the congress of high-ranking Vatican officials? Did this mean that the congress where such speeches were made was under the Vatican's auspices? That question was asked by periodicals that covered the congress.

How then is one to understand the call for dialogue contained in the recent Encyclical letter the Apostles of the Slavic Peoples, dedicated to the memory of Cyril and Methodius? That letter said that the objective of Christianity is to create understanding and cooperation for the sake of a life of dignity for man on the scale of our whole planet.

It is easy to unravel the goals of the stepped up activities by the rightwing forces of the Catholic Church. These forces would like to take the edge out of the struggle for social justice. In that struggle believers act along with other democratic forces. One case in point is Latin America. As Pope John XXIII noted in his time, and he is revered not only by the Catholics, meetings and accords in various fields of public life between believers and atheists can help to discover the truth and to serve it. But the rightwing forces of the Vatican are least of all concerned with the search for the truth, the reverse is rather the case. A Northern Irish Priest, the Rev Wilson, said bitterly on one occasion that the highest spheres of the Roman Catholic hierarchy were totally indifferent to the aspirations of the peoples.

CSO: 1807/458

EAST-WEST RELATIONS

BRIEFS

CSCE FINAL ACT TEXT PUBLISHED--Moscow, 29 Jul, TASS--The text of the Final Act of the Helsinki conference has been republished in Moscow on the occasion of the tenth anniversary of the Helsinki conference by the International Relations publishers in a total number of fifty thousand copies. In 1975, the Soviet Union published the full text of the Helsinki act in the national press, which is printed in millions of copies, and also published in a total print of 100 thousand copies a booklet in 15 languages of the peoples of the USSR. Greater part of the Western press is known to have given only a short summary of that document, thus having concealed its contents from the readers. [Text]  
[Moscow TASS in English 1346 GMT 29 Jul 85 LD]

CSO: 1807/458

SOCIALIST COMMUNITY AND CEMA AFFAIRS

IBEC: ACTIVITIES TO IMPROVE CEMA ECONOMIES

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 5,  
May 85 pp 36-38

[Article by Vazha Jinjihadze, chairman of the board of the International Bank for Economic Cooperation: "In the Interest of Strengthening the National Economies"]

[Text] In 1963 CEMA member countries signed an agreement on organizing the International Bank for Economic Cooperation [IBEC].

In the years since then considerable experience has been gained in the operation of IBEC--the first international financial institution of socialist countries; its role in their system of currency and financial relations has grown, and there have been constant improvements in the economic instruments used and the forms of relations between IBEC and the banks of its member countries, which now include all the states of socialist cooperation. In 1970 the CEMA Session (at its 24th Meeting) adopted recommendations calling for the development and expansion of IBEC activities. They are aimed at improving the planning of loans, simplifying the credit system, improving the interest rate system for various operations in converted rubles, and developing operations in convertible currencies.

The development of different forms of cooperation and further deepening of specialization and cooperative production, which promote growth in the economic potential of each country, are also expressed in the steady expansion of their mutual goods turnover. It is this necessary and final stage in the international production cycle that is the foundation of the bank's accounting and loan transactions. By carrying out regular transactions among CEMA member countries in converted rubles, the bank ensures prompt payment for goods to supplier countries, giving them the opportunity to free up funds invested in the production of export goods as quickly as possible.

The IBEC system of accounts and loans promotes development of the goods turnover among member countries. It makes it possible for exporting countries to receive payment for their goods without delay, and importing countries, when necessary, can use short-term credit from the IBEC to make these payments.

The bank provides active assistance to member countries in carrying out transactions and in balancing payments when, for example, the annual exports of

a given country do not cover its imports, taking into account the volume of its mutual goods turnover agreed upon with other states, or when the balance of payments is disrupted as a result of natural disasters (drought, floods, etc.)

The bank's operations in converted rubles that are tied closely to the dynamically developing economic and mutual turnover of goods among CEMA member countries are expanding constantly, as the table indicates.

Year	(in billions of converted rubles)		
	Transactions among member countries		Total loans granted
	Total	Based on goods turnover	
1975	66.9	64.6	4.1
1976	82.5	79.4	4.2
1977	94.7	90.2	6.9
1978	106.0	100.7	5.7
1979	114.0	197.7	8.3
1980	122.9	116.6	9.7
1981	140.2	130.9	11.7
1982	161.8	149.6	12.4
1983	176.8	166.3	12.5
1984	195.7	183.0	13.6

As one can see from the table, in the past 10 years the volume of transactions and the annual loans granted have tripled.

An important area of the bank's activities is its operations in convertible currencies of capitalist countries that are not involved in goods turnover transactions. These operations are carried out in the form of attracting and distributing deposits (investments) and loans, that is, they are purely financial in nature. They are carried out both with banks in IBEC member countries and their foreign banking institutions, and with the largest banks in capitalist countries. There are approximately 300 IBEC correspondent banks. When these operations are carried out the bank also uses its own funds in convertible currencies. This area of its activities helps support and develop trade and economic ties between CEMA member countries and capitalist states.

Up until 1980 there was a steady increase in the bank's operations and the amount of funds attracted in convertible currencies. However, as a result of the increased tension in international relations and the deepening crisis in the capitalist currency system, these operations were cut back somewhat, which also meant a corresponding reduction in IBEC's responsibilities to its creditors. This is evident in the dynamics of the volume of funds brought in over the past 10 years (equivalents in billions of converted rubles at the end of the year): 1975--2.2; 1976--2.4; 1977--2.5; 1978--2.5; 1979--2.6; 1980--2.7; 1981--2.1; 1982--1.7; 1983--1.5; 1984--1.6.

In spite of the deterioration in conditions for carrying out operations on the international currency markets in recent years, IBEC continued these operations with a large circle of western banks, and ensured their liquidity and profitability, in addition to accurate and prompt fulfillment of its own obligations to other banks.

The CEMA Economic Summit Conference made an in-depth analysis of current status of countries of socialist cooperation and outlined the basic directions for their long-range development and cooperation.

The conference participants noted that CEMA member countries deem it necessary under current conditions to make the mechanism of cooperation within the framework of CEMA more effective, so that it corresponds to the goals of improving the international socialist division of labor and increasing its effectiveness, prompt resolution of pressing problems, and increasing the interest of CEMA member countries in priority development of mutual cooperation.

A mechanism of international currency, financial, and credit relations has been created and is functioning reliably; it is based on the converted ruble and the activities of two international socialist financial institutions--IBEC and the International Investment Bank. As the Economic Summit Conference participants stated, the current system of price formation in mutual trade and the currency and financial instruments of cooperation will continue to improve in the future, and the collective currency, the converted ruble, will keep growing stronger.

The results of the Economic Summit Conference and the 37th (special) Meeting of the CEMA Session, which outlined measures for carrying out the decisions of the Conference, indicate that it is necessary to make further improvements in IBEC activities and to increase its role in the new stage of cooperation among CEMA member countries.

On the basis of deepening socialist economic integration, the mutual goods turnover among fraternal countries will continue to grow. In order to improve the supply of consumer goods to the public, the countries will make substantial increases in the production of these goods for mutual deliveries. In connection with this, IBEC will be receiving an ever-increasing flow of transactions among the countries in converted rubles and will ensure their accurate and uninterrupted execution; with this in mind, the bank's electronic computer system will be renovated in the next few years.

Participants in the Economic Summit Conference agreed to create favorable conditions for establishing joint firms, enterprises, and other international economic organizations on a cost accounting basis, and to improve the operations of international economic organizations already in existence. As necessary, IBEC will help develop the activities of these enterprises and organizations by providing them with accounting and loan services. With this in mind, it is possible that changes may need to be made in some instructions and other normative documents that outlined the bank's rights and possibilities.

At the conference it was stressed that it is still important to achieve an organic tie between cooperation in the area of planning and active utilization of commodity and monetary relations.

This means that all of IBEC's activities, especially its system of providing loans in converted rubles, should be more closely coordinated with the planning activities of the bank's member countries, and that it should work more effectively to promote fulfillment of their national economic and foreign trade plans, and in particular, fulfillment of the mutual contract obligations for the delivery of goods and balanced payments.

An IBEC loan in converted rubles--its size, repayment period, and interest rate--is an active banking financial and economic instrument. There are broad opportunities for effective utilization of this instrument. The bank's member countries granted the bank the right of emission for converted rubles, that is, the right to put them into international payment transactions in the form of loans that reflect the actual requirements of countries that arise in the course of their economic cooperation. Planning the size of the loans is a complicated process, and IBEC is joined by the countries' planning and foreign trade organs, as well as their banks that have been authorized to carry out transactions with IBEC in converted rubles.

On the basis of coordinated national economic plans and long-term trade agreements, every year the countries determine on a bilateral basis the volume of mutual deliveries of goods in physical and value terms, in addition to the total volume of transactions in converted rubles, which are established in the corresponding protocols as mutual obligations. Using these data, the authorized banks draw up and send their loan applications to IBEC, where a consolidated credit plan is compiled in converted rubles; it is broken down by country and it is approved by the bank council.

Thus, the economically based size of credit and its effectiveness depend to a significant extent on the coordinated activities of planning, foreign trade, and banking institutions in CEMA member countries, as well as the CEMA organs that coordinate their mutual cooperation. In working out measures aimed at further improvements in the planning of credit and at increasing its effectiveness, IBEC will strengthen cooperation with the country's authorized banks, and planning, foreign trade, and currency and financial organs of CEMA.

Another element that is of considerable importance in increasing the effectiveness of credit is its value, that is, the level of interest rates paid by the countries for the loan. The interest rates for IBEC European member countries range between 2 and 5 percent per annum, and between 0.5 and 2 percent for Vietnam, Cuba, and Mongolia. The special interest rates set for these countries help them reduce expenses when utilizing credit and to a certain extent contribute to the effort to bring the level of economic development in these countries closer to the level of development in European CEMA member countries.

Interest rates are differentiated in terms of the types of loans and the repayment periods. The interest rates were introduced in 1970 and have not been revised since that time, even though during this period interest rates both in CEMA member countries and in international currency markets have changed repeatedly.

Economically based, moderate interest rates for loans should promote the successful functioning of the multilateral system of transactions and the system of credit in converted rubles; they should stimulate economical utilization of credit and expanded mutual turnover of goods among the bank's member countries by mobilizing internal resources for the fulfillment of export obligations; and they should ensure profitable operations of the bank in converted rubles. The currency and financial organs of CEMA member countries, in conjunction with IBEC, will take measures to adjust interest rates taking into account their economic foundations as needed.

The new stage in the development of economic, scientific and technical cooperation among CEMA member countries, which is aimed at joint resolution of the most important problems in the physical production sphere, utilization of the latest scientific and technical achievements, and raising the people's standard of living, will be accompanied by further improvements in currency and financial relations among the countries and a greater role for their collective currency--the converted ruble--and for the International Bank for Economic Cooperation.

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9967

CSO: 1825/94

THIRD WORLD ISSUES

TABLE OF CONTENTS OF JOURNAL AZIYA I AFRIKA SEGODNYA

Moscow AZIYA I AFRIKA SEGODNYA in Russian No 6, Jun 85 p 1

[Text] TOWARD THE 27TH CPSU CONGRESS: Yu. Vasil'chuk, L. Fridman, S. Voronin,  
"The Proletariat of the Emergent Countries: Struggle Against the Threat of  
War and for Social Progress"

I. Bulay, "The Bandung Conference  
and the Present Day"

FORTY YEARS OF THE GREAT VICTORY: B. Sapozhnikov, "Under the Banner of  
Proletarian Internationalism"

"It Will Not Fade Down the Ages..."

IN THE SOCIALIST COUNTRIES: V. Mazyrin, "Vietnam. Transformation of the  
Social Structure"

D. Kasatkin, "In Support of the Korean  
People's Just Cause"

INTERNATIONAL DEFENSE OF CHILDREN DAY: V. Kopeyko, "Children of Vietnam"

Yu. Kuznetsov, "Ghana. Two From the Equator"

FREEDOM FOR SOUTH AFRICA DAY: V. Sovetov, "The Freedom Charter Against the  
P. Botha 'Constitution'"

I. Nikolayevskiy, "Fight, Work, Learn!"

ON THE PATH OF PROGRESSIVE TRANSFORMATIONS: "Madagascar: Quarter of a  
Century of Independence"

NOTES OF A SOCIOLOGIST: Ye. Rashkovskiy, "The India of the 1980's: the Social  
Edifice, Individual and Society"

YOUTH IN THE MODERN WORLD: Richard Andriamandzatu, "Madagascar. From Festival  
to Festival"

Pascal Mabitl, "Tanzania: Strengthening  
Youth Solidarity"

EVENTS, FIGURES, FACTS

TRIBUNE OF THE ECONOMIST: V. Maslennikov, "Joint Labor in Afro-Asian Countries"

CULTURE, LITERATURE, ART: A. Bogdanov, "Afghanistan. Time of Renewal"  
V. Silin, "Algeria. Literature and Art" Nila  
Padmanaban (India), "Tales"

JOURNEYS, MEETINGS, IMPRESSIONS: A. Filonik, V. Isayev, "Iraq. In the Ancient  
Land of Mesopotamia"

"In Focus--Mozambique"

PAGES OF HISTORY: P. Perminov, "Egypt. How the Suez Canal Was Opened and  
What It Cost"

RELIGION, BELIEFS, CULTS: N. Krasnodembskaya, "Buddhism: Sources, Ideas,  
Tenets"

IN THE WORLD OF BOOKS

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THIRD WORLD ISSUES

REVIEW OF JOURNAL AZIYA I AFRIKA SEGODNYA NO 6, 1985

Moscow APN DAILY REVIEW in English 28 Jun 85 pp 1-5

[Text] The June issue of the journal features an article by economists Y. Vasilchuk, L. Fridman and S. Voronin entitled "Proletariat in Newly-Free Countries in the Fight Against the War Threat and for Social Progress".

The authors write that in recent years major anti-war manifestations against the continued build-up of the nuclear and conventional arms race, against the militarization of space and the deployment of new U.S. nuclear weapons in Europe and in other parts of the world, and for the establishment of nuclear-free zones in the Indian and the Pacific Oceans and in the Mediterranean have been held by the trade unions of such countries as India, the Philippines, Sri Lanka, Syria, Ethiopia, Angola, Madagascar, Mali, Congo and Senegal. These actions indicate that like everywhere else in the world, trade unions and the working masses in the newly-free countries, too, see the struggle for peace as one of their primary tasks.

The scholars point out that the situation today is radically different from that prevailing in the early 1970's when the leaders of the trade-union and working-class movement in developing countries often proceeded from the erroneous premise that the problems of war and peace supposedly concerned the developed countries alone and, first of all, the great powers, while the newly-free countries had more than enough problems of their own. This evolution is a result of realization by the working masses (and in many cases by their governments, too) of the fact that the aggressive policy of imperialism is aimed against the newly-free states as well. This is also a result of the growing realization by trade unions and the working masses of the fact that the settlement of the developing world's "own problems" is being heavily restrained by the arms race which devours an increasingly larger share of their national wealth.

In this manner, the article goes on, mass actions by the proletariat in developing countries are becoming a substantial and integral element of the international working-class and anti-imperialist movement. The mass campaigns of the past few years sponsored by workers' organizations in various Afro-Asian countries have clearly revealed a community of goals in the struggle for the direct vital interests of the working class and of all other working people, for democratic rights, against repressions by reactionary dictatorships, against the international system of nations' exploitation by

imperialism, for peace and disarmament, and against the aggressive policy of the U.S. All this, together with the numerical growth and with the mounting class consciousness and activity of the proletariat serves to enhance its role in the international working-class movement and in the global revolutionary process.

In the article "The Bandung Conference and Contemporary World" I. Bulay points out that one of the main political goals of the non-aligned movement, inherited by it from the Bandung conference, is the struggle for peace, against the war threat. The problems of war and peace have acquired primary importance for the developing countries which realize that the aggressive policy of imperialism poses a mounting threat to all countries and peoples.

The policy of Washington aimed at building up the U.S. war machine, at unleashing a new dangerous spiral of the arms race and at provoking and inciting dangerous international conflicts urges the newly-free states to invigorate their struggle against the war danger and to close their ranks.

At the present stage of anti-imperialist struggle the problems of independent economic development have become one of the spheres of confrontation between the newly-free states and the imperialist powers, the author writes. This new socio-economic dimension about the political struggle waged by the Afro-Asian countries is notably reflected in the programme for the establishment of a new international economic order put forward by the non-aligned nations. It aims at eradicating the economic backwardness inherited by the newly-free states from their colonial past and their dependence on the dictates of the imperialist transnational corporations, and at securing equitable terms of trade between the developing and developed capitalist nations.

The countries belonging to the non-aligned movement are persistently seeking to overcome their dependence on Western monopolies in the fields of information, culture and education. The concept of a new international information order developed and actively promoted by them provides for the development of interaction among the non-aligned nations in combating "information colonialism".

The possibility of overcoming the differences among the developing countries of various political orientation as long as they are guided by the common interests of securing peace, freedom, genuine independence, equality and mutually beneficial cooperation constitutes a broad notion known as the "Bandung spirit" which is firmly established in the international political lexicon today, notes I. Bulay.

The strength and effectiveness of the Soviet line with respect to the non-aligned nations stem from the fact that the interests and principles of Soviet foreign policy meet the aspirations of the people of all newly-free states, the author observes. The USSR welcomes the growing role of the non-aligned nations in the discussion and settlement of the most crucial global problems and especially the problems of war and peace. The movement's loyalty to the fundamental principles laid down at the Bandung conference all of thirty years ago is a guarantee of effectiveness of the Afro-Asian countries' further struggle for peace and against imperialist aggression.

V. Maslennikov appears in the journal with an article entitled "Cooperation in Afro-Asian Countries". He writes that special attention in the wide range of problems faced by the newly-free states in accomplishing major social and economic reforms is given to the questions related to the advancement of agriculture, and to the reliable supply of the population with food and of industry with raw materials. An important role in the accomplishment of these tasks belongs to cooperative construction. In particular, there are more than 130 million cooperative members in the newly-free countries of Asia today and more than 12 million in Africa.

However, the character of this cooperation and its role in the drive for social progress are largely governed by the choice of the development pattern by each particular state, the author notes.

Despite the existing difficulties, cooperation in the countries of the socialist orientation has a greater positive impact on the socio-economic processes unfolding there than in the countries going the capitalist way. Under the terms of capitalist production relations, cooperation eventually becomes another means of exploitation and holds back initiative and creative efforts. On the other hand, in the countries planning to build a socialist society cooperation serves as an instrument of accomplishment of major progressive reforms, facilitates the education of society members in the spirit of collectivism and promotes the democratization of all aspects of life.

The journal also features the articles "Vietnam: Transformation of the Social Structure" by V. Mazyrin, "Freedom Charter Versus the 'Constitution' of P. Botha" by V. Sovetov, "India in the Eighties: Social Knowledge, Personality and Society" by Y. Rashkovski and other materials.

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THIRD WORLD ISSUES

KOREAN SOLIDARITY MONTH PROMPTS NEW UNIFICATION PROPOSALS

Moscow AZIYA I AFRIKA SEGODNYA in Russian No 6, Jun 85 pp 16-17

[Article by D. Kasatkin: "In Support of the Korean People's Just Cause"]

[Text] A month of solidarity with the Korean people's struggle against the presence of foreign troops in South Korea and for the peaceful unification of the homeland begins on 25 June. On this day 35 years ago the American imperialists and their South Korean puppets unleashed a war against the DPRK, setting themselves the goal of doing away with the people's power in the north of the Korean peninsula and turning this area into a springboard of the aggression and expansion of American imperialism.

The U.S. imperialists mobilized one-third of their army and sent large-scale air and naval forces against the Korean people. Washington enlisted in the criminal war the South Korean Army of 600,000 soldiers and officers and the troops of 15 allied countries. Thus the powerful armed fist of aggressors was brought crashing down on the Korean people. The U.S. imperialists employed against the DPRK the most barbaric methods: the concentrated aerial bombing of peaceful cities and hamlets and the destruction of sown areas and forest by napalm and they used bacteriological weapons.

The aggressors almost wiped from the face of the earth the DPRK capital of Pyongyang—a city with half a million people.

"The American imperialists," we were told angrily by Pak Yen-ho, member of the Korean Committee of the Solidarity of Asian and African Countries Presidium, "acted like our people's most vicious enemies. Pursuing a policy of genocide, the United States exposed itself fully as the suppressor of the rights and freedoms of the peoples."

He showed shots of the devastated capital. The city had been reduced to ashes. Heaps of smashed bricks were everywhere, and the shells of buildings warped by big high-explosive bombs appeared here and there. Not a single preserved house could be seen! The aggressors destroyed 9,000 factories and plants, more than 6,000 schools, hospitals and out-patient clinics and many tens of millions of square meters of accommodation.

"Having surveyed the ruins of the city," Pak Yen-ho said, "some specialists concluded that it would take no less than 100 years to revive Pyongyang."

The Korean people put up stubborn resistance to the aggressor and counterposed to his most modern military equipment willpower and courage. On 27 July 1953 the imperialists were forced to conclude an armistice agreement. The Korean peninsula was divided along the 38th parallel. Under Korea's conditions this is not only a geographical concept. This line of 240 kilometers cut across the hearts and souls of Koreans and made an incision in the country's live body. Mother and son, brother and sister and friends and acquaintances were deprived of an opportunity to contact and even to freely correspond with one another. The dismemberment of the country is causing the Korean people real suffering. On the southern side of the demarcation line are granite antitank obstacles, pillboxes, barbed wire and fortresses bristling with gun barrels. And so it has been for more than 30 years now.

The main obstacle in the way of Korea's unification is American imperialism and the Seoul authorities, who are obedient to it. South Korea has been turned into a military springboard of the Pentagon. A 40,000-man American army is stationed there. The numerous U.S. air and naval bases located in various parts of the country have been furnished with the most modern weapons, nuclear included. The 650,000-man army of the Seoul regime possesses American weapons, and its personnel is trained by trans-Pacific military advisers.

The people of the DPRK are engaged in creative labor in the name of the further development of the socialist community. At the same time they do not cease to struggle for their motherland's peaceful reunification. The program for the country's unification put forward by the Sixth Korean Workers Party Congress (October 1980) corresponds to the Korean people's cherished aspirations. It provides for the formation of a confederation of North and South, given preservation of the existing ideologies and social systems. It is proposed that such a state be called the Confederate Democratic Republic of Korea.

Continuing efforts for the peaceful settlement of the situation on the Korean peninsula, the Central People's Committee and the DPRK Supreme People's Assembly Permanent Council presented an important new initiative in January 1984. Under the conditions of the exacerbation of tension on the Korean peninsula caused by the aggressive intrigues of the United States, the document observes, the sole way of achieving peace in Korea and its peaceful unification is constructive dialogue. For its development the DPRK submits a proposal concerning trilateral negotiations with the participation of the DPRK, the United States and South Korea. The question of the substitution for the armistice agreement of a peace agreement and the withdrawal of American forces from South Korea should be at the center of the negotiations. It is also proposed signing a declaration on nonaggression between North and South, in accordance with which the parties would undertake not to employ armed forces against one another, sharply reduce the numbers thereof and remove the state of military confrontation. The DPRK advocates negotiations with South Korea on the country's unification.

Endeavoring to create favorable conditions for an improvement in the situation and the achievement of national consent and trust, Pyongyang proposed to Seoul this April the start of negotiations between the parliaments of the DPRK

and South Korea, which could be conducted both by way of the participation of members of one side in parliamentary sessions of the other side with equal rights and duties and in the form of negotiations between parliamentary delegations.

The Soviet people support the just aspirations of the Korean people. The USSR and the DPRK are bound by ties of long and firm friendship forged in the common struggle against imperialism and colonialism and for peace and social progress. The Soviet Union helped the Korean people in the period when it was repulsing the barbaric aggression of American imperialism and is helping them now also—in the building of socialism and the struggle for the peaceful reunification of the homeland. An important step forward on the path of the further development and strengthening of friendship and cooperation between our countries was the visit of DPRK President Kim Il-song to the Soviet Union in May 1984.

The voice of the Soviet Union in support of the just cause of the Korean people resounds impressively and authoritatively at major international forums, including the United Nations. Thus addressing the UN General Assembly 39th Session, A.A. Gromyko, member of the CPSU Central Committee Politburo and USSR foreign minister, declared: "The USSR invariably makes common cause with the Korean people's struggle for the withdrawal of foreign forces from South Korea and the peaceful unification of their motherland without any outside interference. The DPRK's proposals represent a positive basis for solution of the Korean question."

The Soviet public also has a big role in the development of the movement of solidarity with the Korean people. Soviet-Korean Friendship Month is held every year in the Soviet Union with its active participation from 25 June through 27 July. The mass gatherings and meetings organized in this period and the material published by the Soviet press telling the truth about the situation in Korea and its people's struggle for the peaceful reunification of the homeland serve as a striking manifestation of the policy of socialist internationalism in respect of the Korean people and play an important part in mobilizing the international community for support of the Korean people's just cause.

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THIRD WORLD ISSUES

SOUTH AFRICA 'FREEDOM CHARTER', BOTHA CONSTITUTION CONTRASTED

Moscow AZIYA I AFRIKA SEGODNYA in Russian No 6, Jun 85 pp 23-25

[Article by V. Sovetov: "The Freedom Charter Against the P. Botha 'Constitution'"]

[Text] Thirty years ago, on 26 June 1955, the Congress of Peoples of South Africa--the broadest, historically unprecedented forum of democratic, patriotic, antiracist forces--adopted The Freedom Charter, which became the program document of the struggle against apartheid and for equality, respect for human dignity and a better future for all inhabitants of the country, regardless of the color of their skin. Following a decision of the Second Afro-Asian Solidarity Conference, since 1960 the progressive world public has commemorated 26 June as South Africa Freedom Day.

"Rejected in the country whose son I am," Nelson Mandela, outstanding leader of the black majority of South Africa, who, following a sentence by a racist court of law, has languished for more than two decades in life imprisonment, said about himself. Prior to 1982 he had been incarcerated on the fearsome Robben Island, then he was transferred to the high-security Polsmoor Prison. The entire people to whom N. Mandela belongs may be said to be rejected in their native country. These people also are serving an indefinite term of imprisonment in a vast jail called South Africa under the surveillance of 150,000 soldiers and police.

But however numerous and strict the guard, the prisoners are not downhearted. They have an action program--The Freedom Charter--the first lines of which proudly proclaim: "We, the people of South Africa, declare for all our country and the world to know that South Africa belongs to all who live here, black and white, and that no government has a right to power if it has not been created according to the will of the people." The charter rejects the existing regime and calls for the building of a new state based on popular will and the implementation of a whole number of measures in the interests of the currently oppressed masses: guaranteed legality and equality of all citizens before the law, the right for all to housing and welfare, access for all to the fruits of culture and science, transfer of the land to those who work it and so forth.

As N. Mandela emphasized, analyzing the content of the charter, under South Africa's conditions it represents "something more than simply a list of demands for democratic reforms. It is a revolutionary document because the changes for which it provides cannot be won without a break with the entire economic and political structure of South Africa." In fact, if one fine day discriminatory legislation disappeared there in full, but the natural resources, industry and the banks did not pass to the ownership of the whole people, the system of the domination of the racist minority would basically remain untouched and the rights recorded in the charter would be a dead letter. At the same time N. Mandela pointed out that "the democratic changes proclaimed by the charter are not a prototype for a socialist society," for the building of which even more profound social changes are necessary.

The authorities declared The Freedom Charter an "inflammatory sheet" and support for its slogans "high treason". Merciless persecution was rained down on organizations which adopted the charter as their program. The most mass and active of them--the African National Congress (ANC)--has been fighting clandestinely since 1960, like the South African Communist Party (SACP), which was banned even earlier.

The racists raged in vain! In spite of the repression, practically the entire black population--workers and farm hands, students and teachers, medical workers and petty tradesmen, craftsmen and domestic servants--have rallied together on the basis of The Freedom Charter's demands. The system of the "separate development of the races" is being openly condemned by an increasingly large number of religious figures. "Coloreds" and Indians are making common cause with the Africans--the main force of the movement against apartheid. The charter is enjoying the growing support of democratic white inhabitants of South Africa, particularly the young people.

Striving for a further strengthening of the multiracial front of opponents of the regime, the ANC and SACP flexibly combine mass political struggle with armed actions, which they regard as a forced response to the violence on the part of the authorities. These operations, which were begun in 1961 by the militarized wing of the ANC, "Umkonto we siswe" ("Spear of the Nation") under the leadership of N. Mandela, have become highly effective.

"What kind of enemy is it who forces the government to call up for actual military service all whites aged 17 to 60?" the South African liberal newspaper CAPE TIMES wrote with alarm. "A very strange and incomprehensible war is going on here. There is no front line, and the enemy does not wear uniform, he is difficult to distinguish from the civilian population and he is operating right alongside, in our rear. His front is everywhere where we live. Bomb explosions and rocket attacks are happening directly in municipal neighborhoods and around them. The enemy," the paper stated, "is our own people, our compatriots, a guerrilla army formed from young people who are members of the ANC."

No one in South Africa is now indifferent to the question of the country's future and the need for a change in the mutual relations between the racial communities and ethnic groups which inhabit it. The policy of the ruling circles is being criticized in all strata of society. "Discussion among the population of South Africa, both black and white, about its fate is becoming more active and increasingly serious," the British GUARDIAN notes. There are over a dozen political and public organizations, which have been founded in recent years, in Capetown alone. Many of them are collective participants in the United Democratic Front (UDF), which supports The Freedom Charter drawn up by the ANC and its allies in the mid-1950's."

The emergence of the UDF is highly indicative and symptomatic. It was created on 20 August 1983 at a constituent congress which was attended by representatives of various political parties and movements, trade unions and women's, student, religious, cultural and sports associations of all races and ethnic groups of South Africa. It is the first--since the ANC was banned--mass democratic political organization operating legally in the country for quarter of a century. Political prisoners--the most prominent fighters against apartheid: Nelson Mandela, Walter Sisulu and others--were together elected the UDF's honorary leadership. Approximately 400 organizations associated themselves with the front at the time it was founded, while currently its platform is shared by approximately 700 organizations with more than 1.5 million members.\*

Realizing that neutralizing the broad antiracist front is now too difficult with repression alone, the authorities immediately decided to try out political means also for the purpose--as ANC General Secretary Alfred Nzo put it--"of splitting the people, isolating the African majority and weakening the joint efforts of the national liberation movement." The P. Botha government put big hopes in this plane in the new constitution, according to which "Coloreds" and Indians have been formally admitted to parliament in order to counterpose them to the Africans. In addition, the constitution was to demonstrate to the outside world the "good will" of the regime, which has allegedly taken the path of a renunciation of apartheid, and to justify the economic and political cooperation with Pretoria of certain Western powers, primarily the United States.

However, the trick did not work. In accordance with a UDF appeal, the "Coloreds" and Indians boycotted the 1984 elections to "their" houses of parliament. Less than 20 percent of the electorate from each community showed up the polling stations. "As a whole, this was a death sentence," the American WASHINGTON POST commented on the results of the voting. The South African Government hastened to explain them by the "intimidation" of the electorate, whom the opponents of the P. Botha constitution had allegedly threatened with reprisals.

Intimidation was indeed observed, and very large-scale intimidation even. But on whose side? As Louis le Grange, racist minister of "law and order,"

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\* For more detail see V. Shubin, "South Africa. Between the Devil and the Deep Blue Sea," AZIYA I AFRIKA SEGODNYA No 3, 1985.

subsequently admitted with surprising reticence, the police deemed it necessary "to employ a certain amount of physical force" at the time of the elections. Students and college trainees who had organized protest demonstrations against this farce were dispersed with tear gas and beaten with nightsticks and whips. Dozens of demonstrators were injured, and hundreds ended up in the torture chambers. The leaders of the national campaign to boycott the elections were thrown behind bars. In this light, according to the same WASHINGTON POST, the authorities' complaints concerning "intimidation" are simply absurd.

"The obvious truth," the paper continued, "is that the majority of Indians and half-castes felt they would not so much gain as lose by consenting to modest, strictly limited parliamentary participation in a system which remains controlled by whites professing apartheid." These "gains and losses" reflecting the essence of the new constitution were manifested the best in the corridors of the reformed parliament at its very first session. The representatives of the "Colored" and Indian communities had been graciously allowed to visit the special members' restaurant (only at the invitation of their white colleagues, however), but the doors to the bar and coffee shop were tightly closed in front of them in all circumstances....

The South African authorities are continuing the attempts to split the African community itself, supplementing the policy of its territorial dismemberment by ethnic characteristics ("bantustanization") with measures of a socioeconomic nature designed to stimulate property stratification among the Africans and the formation of a "black bourgeoisie" in order to facilitate the regime's quest for class collaborators and puppet "leaders". In particular, certain of the strict restrictions in the sphere of trade, obtaining credit and so forth which had existed for Africans have been lifted. As of 1982 residents of ghettos on the territory of "white" South Africa have been permitted to set up organs of local self-government. But only 21 percent of registered voters voted at the 1983 elections to these organs. The majority of Africans consider those who agreed to be nominated for the corresponding positions traitors, does not recognize their status and is ostracizing them and refusing in organized manner to avail itself of the stores and service establishments belonging to them until the amateur "politicians" leave their positions.

The parliamentary elections in accordance with the P. Botha constitution coincided in time with a sharp rise in prices, rent and the cost of travel, which could not have failed to have intensified the latest explosion of mass discontent. Antiracial protests began in September 1984 and have lasted virtually without interruption until the present, having encompassed the entire country. We should distinguish particularly the strike of half a million black workers. The security forces were unable to cope with the situation, and troops were thrown in to help them. The bloodshed assumed such proportions that the authorities banned the country's medical establishment personnel on pain of severe punishment from making public the number of injured that they took in. In the course of the disturbances at least 163 people had died by the start of 1985. Almost all those killed were Africans.

The press leaked the information that Minister Louis le Grange had sought from his chiefs authority to ban the UDF, but the highest spheres did not dare consent to this and decided not to renounce the political maneuvers fully.

P. Botha vaguely promised to create some "forum" at which Africans could discuss with the government certain questions concerning them. However, he warned that he was prepared to conduct a dialogue only with those who "support evolutionary change and forswear violence as a political weapon." The president made it clearly understood that Africans should not count on even the abridged representation in the state bodies which had been granted the "Coloreds" and Indians and that there would be no fourth, "African," house in parliament. All the more unacceptable to the racists is a system of general elections according to the "one man, one vote" principle.

P. Botha twice demanded that the ANC cease the armed struggle, promising on fulfillment of this condition to examine the question of the "early" release of N. Mandela and other jailed ANC figures, who would have to assume the said commitment personally.

N. Mandela declared in response: "Armed struggle has been imposed on us by the government. If the authorities want us to renounce it, they must take the first step. They must grant us legal status, treat us as a political party and negotiate with us. Until they do this, we will have to continue the armed struggle." As far as his own fate is concerned, an appeal which he conveyed from prison to the country said: "I cannot and will not make any promise until we, the people, are free. Your freedom and my freedom are inseparable."

The apartheid regime's political maneuvers did not, nor could they, confuse anyone either in Africa or beyond. Only a few people deliberately pretended that they took the racists' "good intentions" at face value. Among them was President R. Reagan, who termed the P. Botha constitution a "step in the right direction." "It is being claimed in some circles," the British OBSERVER wrote, "that he (P. Botha--V.S.) is beginning to do away with the system of apartheid. Nothing of the sort. He is only changing its appearance, bringing it up to date. His main goal is perpetuating white minority rule...." The P. Botha constitution has been condemned by the UN Security Council and General Assembly as being directed at the further strengthening of the apartheid system and as lacking legal force.

An evaluation of the new South African Constitution would be incomplete if mention were not made of the fact that it infringes the rights even of the 15 percent of the population (the whites) about whose interests the regime seemingly alone cares. In fact the opportunities of this racial group for influencing government policy have been severely abridged.

Back at the end of the 1970's even, after he had assumed the premiership, P. Botha gradually converted the Bureau of State Security, which had previously functioned as a government consultative body, virtually into an "inner cabinet" staffed 70 percent by the military and 20 percent by representatives of intelligence. It began frequently to sit before the cabinet, which was then subsequently simply notified of matters which had in practice already been decided. The new constitution "legalized" the bureau's special prerogatives. Its permanent commissions for military affairs and security affairs were now not even formally subject to parliamentary supervision.

The president himself acquired unusually sweeping powers. He may, for example, pass on this question or the other for examination by the presidential council, whose composition is determined to a considerable extent by himself, and whose decisions are binding, impose a state of emergency and declare war and is in general free "to make decisions which he deems necessary in the event of a threat to the independence of the state or the activity of government institutions," has, furthermore, a right of veto in parliament, can dissolve it and so forth.

Having endowed the president with such vast, truly unlimited authority, the South African ruling upper stratum reduced to a minimum the control over its policy which the ordinary white electorate theoretically exercises in accordance with the rules of bourgeois parliamentary democracy and gained an opportunity in the name of its narrow selfish interests to intensify even more the racial and political tension in the country and plunge it into the depths of unprecedented disasters.

During a recent opinion poll in South Africa 43 percent of whites declared that they consider negotiations between the government and the ANC essential. And the government? Having nebulously discussed a "forum" for Africans and made manifestly unacceptable demands of the ANC, the regime has again tilted toward repression. "After several weeks of talk about 'racial reform' emanating from white officials, familiar scenes from recent history are once again being performed in South Africa: police opening fire on African demonstrators... at three in the morning security service operatives are knocking on doors, searching homes and detaining people opposed to white rule," the NEW YORK TIMES wrote at the end of February. The same month at least 20 persons were killed and 240 injured in one "black" suburb of Capetown--Crossroads--alone.

The racist secret police has begun a real hunt for UDF activists. Many of them have been forced underground, while 16 of those arrested have been committed to trial, proceedings of which began on 20 May in Pietermaritzburg. They are threatened with execution on the charge of "high treason". The police have commemorated the "silver jubilee" of the bestial reprisals against Africans in Sharpeville and Lange (21 March 1960) with new carnage, adding several dozen persons to the number of their victims.

So, full circle? The prisoners have been reassigned cells and the guards have been let loose for the umpteenth time? It would hardly be correct to confine ourselves to just this conclusion. The mere attempt by the regime to resort to political maneuvering testifies that the walls of the prison house of apartheid are shaking. The deception was a failure, the antiracist front was not split, and, consequently, a further intensification of the struggle of the peoples of South Africa for freedom may be boldly predicted.

As the January ANC statement emphasized, in 1984 the ANC was able to change the correlation of forces in the country in favor of those who advocate national liberation, social justice and true peace in the south of the continent. The present year of 1985 has already been marked by mass boycotts of public transport, successful protests against the forcible eviction of

Africans from the "white" zone, powerful demonstrations against the apartheid regime and demonstrators' skirmishes with the police. The combat operations of "Umkonto we siswe" have continued.

Universal attention was attracted by the funerals of the victims of the "anniversary" shooting of Africans, at which, according to various estimates, 10,000 to 35,000 people gathered. Hundreds of police and soldiers observed the proceedings through field glasses from armored cars on the slopes of the surrounding hills. After the funeral ceremony, its participants set off for their ghetto directly through the city of Eytentach, thereby demonstratively violating the "pass laws". "Not counting the police and uniformed reservists," an AP correspondent reported, "who were at practically every intersection, the city of whites was empty." However, although military exercises were being held quite close by, the security forces did not venture to use their weapons. This fact is in itself noteworthy.

In May 1985 the same Louis le Grange, minister of "law and order," was forced to acknowledge that the protests of the opponents of apartheid are a consequence of the "revolutionary climate in the Republic of South Africa, which in many places is only taking shape as yet, but in some places is already making itself felt in full."

The Freedom Charter is gathering under its banner an increasingly large number of supporters. Its slogan "Amandla ngawetu!"--"Power to the People!"--is resounding ever louder over South Africa.

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### THIRD WORLD ISSUES

#### BOOK ON PAKISTAN'S FOREIGN POLICY REVIEWED

Moscow AZIYA I AFRIKA SEGODNYA in Russian No 6, Jun 85 p 62

[Doctor of Historical Sciences Vl. Li review: "Foreign Policy Strategy and its Social Sources"]

[Text] Comprehensive study of the problems of the foreign policy strategy of the emergent countries is a most complex field of oriental studies. Upon an examination thereof the researcher has to carry out painstaking work on uncovering rare primary sources, study the multilinear connections between domestic and foreign policy, consider the most important subjective factors of social development and determine the nature of the "resultant," which ultimately reflects the general direction of the political orientation of this state or the other in the international arena. I believe that V.N. Moskalenko's monograph\* largely corresponds to these scientific and methodological criteria.

The work in question encompasses the entire period of Pakistan's existence, which is filled with abrupt turnabouts and zigzags in its foreign policy. These changes can only be evaluated in full on the basis of a consistent, historical-chronological approach, which prompted the author to split the study into a number of independent stages and cycles. Particular attention is paid to Pakistan's foreign policy since the establishment in the country of the military-bureaucratic dictatorship headed by Gen Zia-ul-Haq.

The author shows the close interconnection of the military regime's domestic and foreign policy. The Zia-ul-Haq government has refused any transformations of the socioeconomic structure, limited the sphere of activity of the state sector, denationalized many enterprises and begun to actively attract foreign capital to the country. In accordance with the military regime's domestic policy, the book emphasizes, is its foreign policy, which is aimed at the development of relations with the conservative regimes of the Near East Muslim states, military-political cooperation with the United States and participation in the plans and intrigues of imperialist and hegemonist forces aimed at exacerbating the situation surrounding Afghanistan.

\* V.N. Moskalenko, "Vneshnyaya politika Pakistana (formirovaniye i osnovnyye etapy evolyutsii)" [Pakistan's Foreign Policy (Formation and Basic Stages of Evolution)], Moscow, Glavnaya redaktsiya vostochnoy literatury izdatel'stva "Nauka", 1984, p 301.

The adventurist policy is having to be paid for by the Pakistani people, on whose shoulders the insupportable burden of militarization has been heaped. All this is causing in the country discontent, the growth of the opposition movement, the strengthening of the anti-imperialist mood and condemnation by broad circles of the progressive public of the Zia-ul-Haq regime's participation in the undeclared war against the Democratic Republic of Afghanistan.

The author of the monograph with complete justification draws attention to the continuation of objective contradictions between the national interests of the emergent country and the goals of the imperialist states. A reflection of this is Pakistan's support, together with other developing countries, for a just settlement of the Near East problem and the struggle to liquidate the colonial regime in Namibia, limit the expansion of the transnational corporations and establish a new international economic order.

Consequently, the foreign policy of Pakistan, which could potentially perform a constructive role in present-day international relations, is at the current stage contradictory and inconsistent. What is the sociopolitical nature of these contradictions? The author believes that the said phenomenon reflects to a considerable extent the shifts in the correlation of forces within the ruling bloc and the ruling classes and strata. Thus in the period of the predominance in the power structure of the most conservative elements connected with the upper strata of the haute bourgeoisie and the landed aristocracy a rightwing-extremist policy and a sharp exacerbation of relations with India and other peace-loving states can be traced. In the period of the term in office of the Z.A. Bhutto grouping, which represented the interests of broader, primarily middle, strata, there was obvious emphasis on a strengthening of state sovereignty on an anti-imperialist and national basis. The considerable role of the external factor also was revealed here. Foreign policy in the 1970's was pursued by the Z.A. Bhutto government under the conditions of an easing of international tension and detente. Pakistan's foreign policy activity in the subsequent period has been pursued in an international situation complicated through the fault of imperialism, under the conditions of the activation of the United States' aggressive actions in various regions, including Southwest and South Asia, which has led to increased inconsistency in the foreign policy of the Zia-ul-Haq government.

The work in question, which is voluminous and on many levels, is not without certain shortcomings. The author's proposition concerning the correlation of state and national interests (p 282) is in need of further development. The author's proposition concerning the unformed state in the country of a multistory decision-making mechanism is dubious.

However, this does not detract from the research level of the monograph. In making a substantial contribution to study of pertinent problems of the international strategy of the emergent states (in the example of Pakistan) V.I. Moskalenko's work puts forward a number of questions whose active development is a part of the mission of our oriental studies.

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GENERAL ECONOMIC AFFAIRS

MOST-FAVORED-NATION PRINCIPLE DISCUSSED

Moscow FOREIGN TRADE in English No 7, Jul 85 pp 42-48

[Article by Vladimir Shumilov: "Most-Favoured-Nation Principle in International Law (Theoretical and practical problems)"]

[Text]

Relations pertaining to foreign trade and other types of foreign economic ties constitute a rather broad and important sphere of international trade and economic cooperation. In the states' activity concerning international economic relations, primarily those in the trade and economic sphere, the most-favoured-nation principle specified in relevant agreements is now widely recognized. Following this principle one state must grant another state, its juridical and physical persons such treatment on coordinated questions which is, or will be, granted to any third state, its juridical or physical persons.

In the states' present-day trade and economic practice there are different wordings for the corresponding agreement regulation on the mutual granting of the most-favoured-nation treatment. However, most often they are the so-called positive and negative formulae. In the former case the question is about the right of using the MOST-favoured-nation treatment and in the latter one—on the right for the NOT LESS-favoured-nation treatment compared to any third country. In fact both formulae have the same purpose—to assure this or the other state similar equal nation treatment which is, or will be, granted to any other state. Nevertheless, it must be taken into account, that discrepancies in the wordings can in reality cause confusion of the concepts of the most-favoured-nation principle with those of non discrimination.

The most-favoured-nation principle underlines the socialist states' approach to foreign economic ties between themselves and in their interrelations with the capitalist countries. Agreements envisaging the mutual granting of the most-favoured-nation treatment on these or other matters constitute a substantial portion in the system of each socialist state's international legal regulation. Suffice it to say that the Soviet Union has been maintaining contract trade and economic relations based on the most-favoured-nation principle with more than 100 states. Thus, for the USSR and many other states this principle has in fact become universal.

However, different countries interpret and use the most-favoured-nation principle in their foreign economic policy in various ways. In the process of realizing this international regulation difficulties often arise due to the close interlacing of theoretical and direct trade and economic problems. Thus, identification, from the theoretical point of view, of correlation between the most-favoured-nation principle and some other principles of international law can if necessary give a correct juridical qualification to practical actions taken by this or any other state in international economic relations. In its turn, due to the discriminatory practice used by certain capitalist countries' economic associations, mainly the European Economic Community, the question arises whether "coexistence" of the wide application of the most-favoured principle with the functioning of the EEC and other similar interstate associations' unions is possible. Hence, the reality of economic interrelations necessitates discussion of the most-favoured-nation principle in its bilateral integrity: on the one hand, certain theoretical aspects of the most-favoured-nation principle in the system of principles of international law require special consideration, on the other, the actual realization of the most-favoured-nation principle and the practice of its application bring the task of revealing and solving the functional problems of the most-favoured-nation mechanism in the system of international legal regulation of international economic relations.

Referring to the international law on the most-favoured-nation treatment and thinking of it as a "principle" then, in the system of the international legal regulation it plays a role of a "mechanism" which is to assure, in constantly alternating circumstances, the states' equitable use of corresponding treatment on coordinated questions. Under the most-favoured-nation treatment a certain system of regulations established by the state law, a population of legal conditions is understood, based on which the contractor state, its juridical and physical persons mould their activity and the volume of it on mutually coordinated matters. The most-favoured-nation principle, would, probably, be more correctly called the "principle of granting the most-favoured-nation treatment."

Over the last few decades processes have occurred and are taking place in the international arena introducing additional elements into the system of principles of the international law as well as that of international legal regulation of economic relations. The question is primarily about the on-going struggle for restructuring international economic relations and establishing a new international economic order.

Democratization of international economic relations envisages complete normalization of relations between a number of the largest imperialist states and the socialist countries, or as they say, between the East and the West, constituting a big domain of international cooperation. The positions of the West towards the socialist countries are characterized by a preconceived political approach, discrimination, artificial restriction of real cooperation possibilities and attempts to revive the policy of economic sanctions and embargo. It is the imperialist states' discriminatory foreign economic policy that causes difficulty in normalizing international economic relations including those between the East and the West. It is well known that the Western countries, with a discriminatory aim, actively apply quantitative import restrictions, additional import taxes, the licensing of import and various "antidumping procedures" against other states, first of all the socialist ones, they still adhere to the prohibitive lists of the so-called Coordinating Committee (COCOM) putting an embargo on the export of a large number of goods to the

socialist countries. Nearly 250 positions of the EEC's Common Customs Tariff are still not liberalized.

Evidently, the effectiveness of the most-favoured-nation principle directly depends on the state of international economic relations. Deterioration of international economic relations is accompanied by numerous additional violations of and deviations from this principle.

#### **Most-Favoured-Nation Principle in the System of International Law Principles**

The most-favoured-nation principle is one of the major international law branch principles regulating interstate economic relations. However, to determine the level of actual realization of this or any other principle it is insufficient to consider separate regulations on their own but necessary to study their interaction. It is only by observing all the principles of international law in their interaction that the correct application of each of them is assured, including in particular, the most-favoured-nation principle. What is the relationship between the most-favoured-nation principle and those most close to it in international law, such as equality, non-interference in internal affairs, non-application of force and the threat of it, economic non-discrimination, reciprocity, mutual benefit and some others?

Although the principle of the most-favoured-nation treatment refers mostly to trade and economic relations it is also of great political significance as it affects one of the main conditions of international relations in general—the sides' equality. The most-favoured-nation principle is one of the special cases manifesting the principle of equality in international relations.

International law does not admit any exceptions from the most-favoured-nation principle that on a number of subjects contradict this principle except certain generally recognized, historically formed ones which are to the special mutual agreement of the negotiating parties. At the same time the principle of the most-favoured-nation treatment, designed to establish equitable treatment in one state common to all states, disregards the fact that there

are unequal economic structures and levels of development in the world. The above was taken into account in the recommendations adopted by the first UN Conference on Trade and Development (UNCTAD). The Conference recommended, in particular, that the developing countries be granted unilateral concessions in the trade being conducted between the developed countries as well as new concessions without spreading them to the developed countries. Moreover, the developing countries obtained the right to exclude the preferential treatment granted each other from the scope of the most-favoured-nation clause. Thus, for the developing countries an exception to the most-favoured-nation principle was made which has become a generally recognized deviation from the principle of juridical equality in favour of that of factual equality.

The Soviet Union was the first state which even way back in 1965 had introduced a unilateral non-discriminatory system for the taxless import of all goods from the developing countries without establishing any specific period for its validity.

The principle of non-discrimination stems from the states' principle of equality. Contractual recognition is not required as it is a compulsory general legal regulation. The non-discrimination principle envisages the right to demand prerequisites common to all while that of the most-favoured-nation principle includes the right to acquire the most privileged terms granted to any third state. Hence, violation of the non-discrimination principle is at the same time negation of the most-favoured-nation principle.

Quite recently there were only few contractor countries using the most-favoured-nation treatment. Most countries enjoyed and granted others non-discrimination treatment which at that time was a necessary minimum for developing normal foreign economic ties. On the whole such a position did not restrict the possibilities of equitable cooperation and granting or rejection of the most-favoured-nation treatment provided they were not accompanied by hostile actions and did not affect the non-discrimination principle. Moreover, as the practice of granting the most-favoured-nation treatment expanded the situation could change. Now that the majority of states grant and receive

the unconditional, disinterested, most-favoured-nation treatment, the most-favoured-nation principle becomes, just like that of non-discrimination, a new minimum needed for developing normal foreign economic ties.

Today the practice of and the international legal doctrine proceed from the fact that the most-favoured-nation principle is a dispositive norm, i.e., its inclusion into corresponding agreements is not compulsory. States have the right to claim the most-favoured-nation principle only because of the clause on the most-favoured-nation treatment. Although the granting of the most-favoured-nation treatment has long become routine and general, at present, however, there is no evidence that such a granting can be considered compulsory on the grounds it is an international custom. Hence, the question meanwhile is about the practice that has formed of granting the most-favoured-nation treatment on a contract basis.

Nevertheless, the possible evolution of a general right, first within some regional system of international law, at the proposal of the UN Commission for International Law,<sup>1</sup> can become a future potential source of possible claims for the most-favoured-nation treatment. On this point the socialist states' leading role in the progressive changes occurring in international law must be emphasized.

Right now the socialist countries' practice and doctrine proceed from the fact that the granting of mutually unconditional and gratuitous most-favoured-nation treatment is not a privilege but an indispensable prerequisite for normal foreign economic relations and mutually beneficial cooperation. The very nature of the socialist countries is inseparably linked with the international legal principle of cooperation. This principle applied to economic interrelations envisages the most-favoured nation treatment, of course, with due regard for other important principles underlying international law. In the socialist countries' economic relations with countries with different social systems granting the most-favoured-nation treatment is an important independent democratic principle of international economic law. In the socialist countries' interrelations it, without losing its independence, is "overlapped" by a much more

comprehensive and significant principle—that of friendly mutual assistance, which is a specific principle regulating the socialist countries' economic relations.

The Soviet Union and other socialist states' foreign economic policies and their international legal position on this matter in fact help supplement the dispositive character of the regulation on the most-favoured-nation norm with imperative elements. Mostly due to such an approach the 1964 Geneva Conference, when setting up UNCTAD, recognized the most-favored-nation principle juridically and recommended it for application and inclusion into international agreements. It means ascribing a new additional quality of a recommended norm to the conventional one of the most-favoured-nation treatment. It is a step forward towards universalization of the most-favoured-nation principle and progressively imparts imperative properties to it.<sup>2</sup>

Of certain interest is also the problem of correlation of the most-favoured-nation principle with that of reciprocity. Reciprocity is an integral part of any equitable cooperation. When observing juridical reciprocity an adequate feedback in legal relationships is essential (and not the volume granted in response to a specific right, commitment, concession, etc., established by states with consideration of other principles and norms—equality, mutual benefit, non-discrimination, etc.). Such reciprocity is the basic element of the most-favoured-nation clause. When establishing relations based on the most-favoured-nation principle it must be borne in mind that states will mutually use the most-favoured-nation treatment on coordinated matters that a contracting country specifies for all third countries and not the principle that the terms and concessions mutually granted by the two states must be equal and equivalent. In the latter case the question would be about the material reciprocity as a variety of compensation terms.

Such requirements in the sphere of foreign economic relations applicable to the most-favoured-nation principle would contradict the spirit of the most-favoured-nation principle. Material reciprocity in trade and economic relations does not go with the purpose of the most favoured nation clause, to establish treatment equal for all.

The so-called "effective reciprocity" with which the capitalist countries try to substitute the most-favoured-nation treatment principle in interrelations with the socialist countries also contradicts this purpose. The "effective reciprocity concept" was defined very precisely in the draft resolution submitted by the Belgian and Swedish delegations for consideration at the 15th session of the Committee on the Development of Trade (1966) of the UN Economic Commission for Europe.

As an argument, representatives from some advanced capitalist countries suggest a thesis that in trade with the socialist countries it is difficult for the capitalist countries to assess the profits gained from granting the most-favoured-nation treatment as they are unaware of the criteria the socialist countries use when choosing a foreign partner. According to the EEC's representatives, the actual reciprocity of advantages granted with certain EEC concessions must be assessed by specific comparable results such, for instance, as this or that socialist country's trade turnover growth rates, expansion of the trade structure, etc. Thus, the essence of the "effective reciprocity concept" is that the socialist countries when obtaining the most-favoured-nation treatment from the Western countries, in addition to reciprocally granting the most-favoured-nation treatment, should undertake supplementary commitments.

By introducing "effective reciprocity" the West also artificially restricts the scope of the most-favoured-nation principle down to tariff concessions. The concept of "effective reciprocity" is interpreted in such a way that it becomes an instrument for the socialist countries' discrimination. At the same time the demands of "effective reciprocity" are peculiarly "striking out" and they are "isolated" from the complex of important interlaced international legal principles and norms. Disregarded also is the fact that the monopoly for foreign trade is not only an effective means for protecting the internal market but also a powerful instrument giving impetus to international economic cooperation. When granting the most-favoured-nation treatment to a capitalist country the socialist state takes measures aimed at developing truly large-scale mutually beneficial cooperation with it, ensuring much more

substantial profits and advantages than, for example, just the reduction of custom duties.

The course for proclaiming a special "principle" for East-West trade is not brought about by necessity. The striving to introduce "effective reciprocity" is depriving the clause of the most-favoured-nation treatment of its gratuitous and unconditional character.

The most-favoured-nation principle is organically connected with that of mutual benefit which in relations between states is not always vividly seen, although it is actually present, and vice versa, the essence of it does not always take place even when formally observed. Mutual benefit may be more than the exchange of identical material values or the granting of similar rights which not only contain reciprocity assuring equivalent profits and commitments but also give to the partners much more complex comprehensive advantages and other profits from one another. The principle of mutual benefit must be understood not as a formally narrow "commercial" rule applied to each separate case of cooperation but as a principle widely illuminating the consequences of a specific legal relationship in the total complex of cooperation between countries.<sup>3</sup>

The institution of unconditional and gratuitous most-favoured-nation treatment is based on the principle of granting mutual benefit (and not on that of material or "effective" reciprocity) in the sense that each country obtaining the most-favoured-nation treatment gains a complex of economic and political advantages and "repays" them with the reciprocal granting of treatment as established on its territory in the corresponding domain for all states and not for privilege, each time separately and with certain stipulations.

#### **Most-Favoured-Nation Mechanism in the System of International Legal Regulation of Trade and Economic Relations**

Law as an aggregate of juridical norms and the actual relationships being formed as the law is applied are not the same thing. The concept of international legal regulation covers the process of implementing international law.<sup>4</sup>

The USSR's trade agreements with foreign states are examples of a system of international legal regulation of trade and economic relations and they have a great positive influence on larger systems of international legal regulation of similar relations.

Since its first years the Soviet state has advocated wide recognition of the most-favoured-nation principle as a contractual legal basis of trade and economic relations between countries. This was and is of special importance from the point of view of the establishment of principles of international economic law and for accelerating "universalization" of the most-favoured-nation principle. Now, the most-favoured-nation norm is widely practised in various aspects of economic interrelations and holds a significant place in the system of their international legal regulation.

The systematic character of international legal regulation consists in that international problems are regulated comprehensively through an interconnected array of agreements (for instance, a complex of international agreements containing the most-favoured-nation clause, here we refer to, or a system of agreements of this or that state, the EEC system, the GATT system).

The practice of applying the principle of most-favoured-nation treatment in trade and economic relations between states and groups of states is diverse. In the socialist countries' agreements the sphere of the most-favoured-nation treatment is not only trade in the narrow sense of the word but includes all the varieties of economic relations. The socialist states in their relations with the advanced capitalist countries are in favour for the maximum utilization of most-favoured-nation treatment in all possible spheres.

In the socialist countries' trade practice the most-favoured-nation principle is used (and always understood) in an unconditional and gratuitous form. It is substantially different in the question of using mutually coordinated exceptions to the most-favoured-nation principle and firmly adheres to an approach aimed at reducing their quantity.

Norms of international economic law just as all other international legal norms originate from the antagonism and coordination of various states' stands and different foreign policy courses. Coexistence of states with different social systems is determined by two predominating directions in world policy: the policy of peace, mutually beneficial and equitable cooperation and all-round promotion of trade and economic ties is characteristic of the socialist states; the capitalist states very often apply a policy of force, economic pressure, discrimination and economic aggression, the USA being a most typical example.

The United States' international legal position towards trade and economic cooperation stems from the same principles on which the US aggressive foreign economic policy is based. It attaches great importance to the use of the most-favoured-nation treatment mechanism in its narrow mercenary interests: strengthen US influence on the processes occurring in other countries, gain certain political advantages. Not the least significant role in this is played by the US discriminatory legislation.

In accordance with the law on trade adopted in the USA in 1974 and amendments to it, the granting of the most-favoured-nation treatment, in particular, to the Soviet Union, depends on agreeing to unacceptable political demands. Due to this the Soviet-American trade agreement of 1972 did not come into force.

The recent example of the US stand with regard to the Polish People's Republic witnesses the fact that the US Administration actively uses the institution of the most-favoured-nation treatment for interfering in other countries' internal affairs and exerting pressure on them. The measures taken to stabilize the internal socio-economic situation by the Polish government resulted in a revision of the US trade and economic policy towards Poland. In October 1982 the USA declared suspension of the most-favoured-nation treatment in trade with that country.<sup>1</sup>

All US foreign policy has the general aim of undermining the most-favoured-nation principle in relation to states which have other economic systems than capitalist and it thus contradicts the basic principle of international law—peaceful coexistence of states.

The EEC countries also apply tough discriminatory actions against the socialist countries. Customs duties on imports coming from the socialist countries are 1.5-2 times higher than the normal ones. Over recent years the sphere of real discrimination in Western Europe has substantially expanded due to the conclusion by the European Economic Community of preferential agreements with a number of European and non-European states. The enforcement in 1977 of the agreement signed between the EEC and the European Free Trade Association (EFTA) on abolishing trade duties on the majority of finished products worsened the CMEA member-countries' competitiveness on West European markets.

Even just glancing through the EEC Common Customs Tariff list it is evident that unfavourable conditions are imposed on the socialist countries, and particularly the USSR, as compared to the EEC's partners among the advanced European states. The majority of other states are excluded from the "general customs treatment" applied to certain countries including the Soviet Union. In practice the "general customs treatment" has become wholly discriminatory.

Creation of a suitable organizational-legal foundation to assist cooperation would significantly contribute to the solution of many problems pertaining to economic relations between the EEC and CMEA member-countries. At the present stage the lack of such a legal base which would regulate the two European integrated associations' relations has become a real hindrance. During the CMEA member-countries' Summit Economic Conference, June 1984, the socialist states confirmed their readiness to conclude a suitable CMEA-EEC agreement which would promote the further development of these organizations' trade and economic ties.<sup>6</sup> Naturally, further expansion of mutual relations can be attained only on the basis of equality, non-discrimination and mutual benefit.

The international capitalist division of labour is progressing in conditions of anarchy and competition leading to the subordination of some countries by others. The developing countries recently liberated from the colonial oppression suffer far more than others from the unjust inter-

national economic order formed by capitalism. Thus objective contemporary requirements have created the movement for restructuring international economic relations.

The Charter of Economic Rights and Duties of States adopted over ten years ago was an important step towards establishing a new international economic order. Article 26 of the Charter states that "international trade should be conducted without prejudices to generalized non-discriminatory and non-reciprocal preferences in favour of developing countries, on the basis of mutual advantage, equitable benefit, and the exchange of most-favoured-nation treatment."<sup>7</sup>

Actual implementation of the Charter's principles would introduce substantial positive changes in international economic law. However, imperialism with its inevitable tendency to exploit the underdeveloped countries is the main obstacle in the way of their realization.

A typical feature of the present EEC policy towards the developing countries is the parallel existence of two preferential systems, i.e. preferences granted to the countries maintaining "special" relations with the EEC and "general" preferential systems which differ in the number of included goods, countries, the scope of the preferential privileges all designed to split the developing countries.

In January 1981 a new EEC system of preferences embracing over 120 countries came into force. It fixed a differential approach to the developing countries, singling out a group of the so-called competitive states. Thus the EEC digressed from the universality and non-discrimination principle when it established the system of preferences for the developing countries.

The imperialist groupings' policy results in discrimination in trade and economic relations and deformation of the international division of labour. Moreover, such groupings significantly narrow the scope of application and effectiveness of the most-favoured-nation treatment principle in international economic relations.

In establishing a new international economic order an indispensable condition must be strict observance of the most-favoured-nation principle in the states' relations, with the minimum number of generally recognized excep-

tions to it, and the maximum scope of its application. Of course, the general non-discriminatory preferences in favour of the developing countries adopted by the international community on the whole are in this instance a just exception to the most-favoured-nation treatment clause under the new international economic order.

It is also understood that the developing countries must grant the socialist countries conditions for trade "not inferior to those granted normally to the developed market economy countries", as emphasized in Article 20 of the Charter of Economic Rights and Duties of States.

The General Agreement on Tariffs and Trade takes an important place in the system of international legal regulation of international economic relations. The mutual granting of the most-favoured-nation treatment is GATT's key principle; its members are almost 90 states (another 30 states apply it *de facto*). However, realization of the most-favoured-nation principle in the GATT system has its own peculiarities. The inclusion of the most-favoured-nation treatment clause into the text of the General Agreement does not mean at all that every new member-country can enjoy all advantages and concessions stemming from the Agreement. The degree and volume of the actual granting of the most-favoured-nation treatment to this or another country depend first of all on the terms specified in the document allowing this country to join GATT. In certain cases the country joining GATT is required to increase its import from the GATT members in a predetermined amount as an additional condition for granting it the most-favoured-nation treatment.<sup>2</sup> Such an approach contradicts the unconditional feature of the most-favoured-nation principle specified in the GATT Charter and actually promotes introduction of "effective reciprocity" into trade and economic relations.

As is seen from the above, realization of the most-favoured-nation principle in international economic relations, the use of the most-favoured-nation treatment mechanism in foreign economic policy of these or other states raises a complex of questions whose study is of theoretical and practical interest.

On this matter of great importance is the work undertaken by the UN Commission for International Law

for elaborating Draft articles on most-favoured-nation clauses which in fact was the first step towards codification of one of the aspects of international economic law.

The elaborated Draft document consists of 30 articles: the first eight of them can be considered as introductory articles of a determining nature pertaining to the sphere of application and the legal foundation of granting the most-favoured-nation treatment; articles 9 to 22 deal with general application of the clause; articles 23 to 26—exclusion from the clause, and articles 27 to 30 can be considered as miscellaneous.

From the very beginning the Commission for International Law decided that it should concentrate attention on the legal character of the clause and the legal terms of its use. The Commission understood as its task a study on the clause from the point of view of a contractual right (an agreement). The aim of the majority of the articles is for them to act as a guide for those cases when the wording of the clause in the given agreement does not contain the details concerning its action, and thus facilitate interpretation of a number of points and to establish rules for the clause's action and use as it is part of the agreement; but it was not meant to include into the Draft terms based on which the states can claim the granting of the most-favoured-nation treatment.<sup>8</sup>

When characterizing the Draft it is important to stress that it is oriented not only on the clauses used for regulating trade and economic relations but on all spheres of the clause's application, including regulation pertaining to transportation facilities, diplomatic and consulate representations, questions of administering justice, acknowledgement and execution of foreign judicial verdicts, etc.

After the completion of the work in 1978 the Commission for International Law suggested that the Draft be recommended to the UN member-countries with the aim of concluding a convention. However, up to now the UN General Assembly could not properly settle this question.

The Soviet Union was an active participant in elaborating the Draft articles. In the USSR's comments and amendments to the Draft, in particular, it is stated that "the most of the provisions of those articles could serve as

a basis for the drafting of a document which would promote the development of relations between states, above all in matters relating to trade and economic cooperation."<sup>9</sup> At the same time it is considered as groundless to include statements allowing the granting of the most-favoured-nation treatment on compensation terms into the Draft.

There is no doubt that the most-favoured-nation principle will still remain one of the leading norms of international relations. The USSR and other socialist community countries cannot accept such abnormal phenomena in international economic life as the discriminatory regulations contained in US law or those discriminating elements in EEC trade legislation. The Soviet delegation's Memorandum submitted to the 25th session of the UNCTAD Trade and Development Board, September 1982, pointed out, particularly, that under the present development of international economic relations it was necessary to apply "joint efforts to restore the effectiveness of the generally recognized principles for the conduct of international trade, particularly that of the most-favoured-nation treatment."<sup>10</sup> The abolishment of discriminatory restrictions, the use of the most-favoured-nation treatment in relations with all countries irrespective of their social systems, putting an end to the attempts to normalize trade and economic relations through concessions in spheres distinct from trade must become a norm of international economic cooperation.

<sup>9</sup> Report of the UN Commission for International Law on the work of its 30th Session, May 8-July 28, 1978, p. 51.

<sup>10</sup> G.M. Velyaminov, *Legal Regulation of International Trade*, Institute of International Relations Publishers, Moscow, 1972, p. 244 (in Russian).

<sup>11</sup> G.M. Velyaminov, *Socialist Integration and International Law*, Institute of International Relations Publishers, Moscow, 1982, p. 73 (in Russian).

<sup>12</sup> I.I. Lukashuk, *International Legal Regulation of International Relations*, Institute of International Relations Publishers, Moscow, 1975, p. 12 (in Russian).

<sup>13</sup> *Pravda*, October 29, 1982.

<sup>14</sup> *Pravda*, June 16, 1984.

<sup>15</sup> UN General Assembly, Res. 3281/XXIX/, December 12, 1974.

<sup>16</sup> Report of the Commission for International Law on the work of its 30th Session, May 8-July 28, 1978, pp. 51, 134.

<sup>17</sup> UN General Assembly, A/35/443, September 18, 1980, pp. 32, 34, 49.

<sup>18</sup> *Foreign Trade*, No. 10, 1982, p. 3.

UNITED STATES AND CANADA

U.S. MILITARY CAPABILITIES IN WESTERN EUROPE DETAILED

PMO21350 Moscow KRASNAYA ZVEZDA in Russian 27 Jul 85 second edition p 5

[Article by Doctor of Military Sciences Colonel A. Drozhzhin, retired, under the rubric "In Accordance with Washington's Militarist Directives": "Bridgeheads for Aggression"—first paragraph is KRASNAYA ZVEZDA introduction]

[Text] Today we publish the concluding article in the series under the rubric "In Accordance with Washington's Militarist Directives." The first two articles were published in KRASNAYA ZVEZDA on 12 and 19 July.

The U.S. and NATO course of upsetting the military-strategic equilibrium and seeking military superiority over the Soviet Union and the Warsaw Pact is clearly seen in the transformation of West Europe not only into an arena for the arms race but into an enormous accumulation of armed forces and various kinds of military bases. U.S. Assistant Secretary of Defense R. Perle has frankly stated that Washington is seeking to deploy its "war-fighting potential" as close as possible to the enemy, that is, the USSR and its allies. It is considered that the Pentagon continues to regard Europe as the main theater of war. And, consequently, it is primarily the European NATO countries for which Washington destines the fate of bridgeheads for aggression.

Many of America's 1,500 bases and other military installations strewn throughout the world, which destabilize the international situation, are in West Europe. For example, around 200 major U.S. military installations are concentrated in West Germany and around 60 in Turkey. The territory of Britain, Italy, Greece, and other countries is saturated with U.S. bases. There are major air force and naval bases, ground forces and marine garrisons, medium-range missile bases, nuclear weapons and munitions stores, installations monitoring airspace and outer space, radio and electronic intelligence centers, and so on and so forth.

Relying on these installations, the United States has permanently stationed in West Europe and its surrounding waters more than 355,000 servicemen, more than 750 warplanes, more than 1,000 helicopters, dozens of warships, including aircraft carriers and nuclear submarines, 3,400 tanks (not counting those kept in depots), 2,500 artillery pieces and mortars, and more than 5,000 antitank missile launchers. Some 7,000 nuclear munitions are sited in West Europe for general-purpose American forces.

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The American strategy of "direct confrontation" envisages the readiness to launch different kinds of aggressive wars: nuclear and conventional, all-out and "limited," short and long. So far as Europe is concerned, Washington is emphasizing preparations for a "limited" nuclear war on the continent in the illusory hope that the crushing retaliatory strike would not touch U.S. territory itself.

The deployment of American medium-range nuclear means in European NATO countries is being carried out in conformity with this military-strategic directive. It is planned to deploy by the end of 1988 a total of 108 perishing 2 ballistic missile launchers (all on FRG territory) and 464 cruise missiles (160 in Britain, 112 in Italy, 96 in the FRG, and 48 each in Belgium and the Netherlands). Information that it is planned to deploy considerably more American missiles in West Europe than were envisaged by the well known NATO decision has recently emerged. The West German magazine STERN, for example, has reported that extra "missile units" [chasti raket] are kept at a military depot in Weilerbach (in Rheinland-Pfalz). "This illegal perishing depot," STERN stresses, "explains why the Pentagon ordered 258, rather than 108 missiles from Martin Marietta," that is, extra.

The American medium-range missiles being deployed in West Europe are highly accurate weapons with a range of 2,500 or more kilometers and are therefore capable of hitting strategic targets on a considerable part of the USSR's European territory. Incidentally, they are designed to threaten not only the Warsaw Pact states. The American cruise missiles being sited at Comiso (on the Italian island of Sicily) are capable of reaching deep into North Africa and the Near East. The nuclear threat hanging over the Arab countries in this regard is causing them serious concern.

These nuclear missiles are an important component of the potential for a first, disarming strike that the Pentagon is creating. The conditions for a surprise nuclear attack are being created by the deployment in West Europe of Perishing 2 missiles, which have a short flight time to target, as well as cruise missiles.

Despite all this, things are not limited just to these missiles. The American F-111, F-4, and F-16 fighter-bombers deployed at bases in European NATO countries also form part of the medium-range nuclear means. They are capable of delivering nuclear strikes throughout the depth of the European socialist countries' territory and of reaching the Soviet Union's western regions. The more than 600 American operational-tactical missiles and nuclear artillery pieces in West Europe should also be pointed out. Nor should the barbaric neutron weapons, which continue to be mass-produced in the United States, be forgotten. Neutron munitions for lance missiles and 203.2 mm howitzers are,

as is well known, intended to be used far from the United States, above all, in the European theater of war. London's THE OBSERVER, citing a statement by R. Wagner, assistant to the U.S. Secretary of Defense for Atomic Energy, reports the existence of a "secret plan to deploy new nuclear artillery shells operating on the neutron bomb principle in West Europe."

As we can see, there is a very extensive arsenal of combat facilities designed to form the material base for waging the nuclear war in Europe conceived by American and NATO strategists and thereby remove the threat of a retaliatory strike against U.S. territory. Such hopes are both unrealizable and exceptionally dangerous. The logic of war and the nature of modern armaments are such that any attempt to use nuclear weapons would inevitably lead to a catastrophe capable of calling into question the existence of life itself on our planet.

In order to achieve its hegemonist ends Washington does not balk at imposing its diktat on its European partners in the North Atlantic bloc. The United States, President Reagan has stated, will continue "to urge its allies to fulfill their part of future programs." The allies, he went on, "must make additional sacrifices to further strengthen NATO's military potential." And the uncereceremonious pressure often produces results. The deployment of American medium-range missiles in Western Europe, for example, is being financed not only by the United States but by the NATO allied infrastructure program for building new military bases.

While continuing to militarize West Europe and turning the European allies into hostages of its nuclear adventures, Washington has ignored Soviet peace initiatives. As is well known, the USSR declared as a sign of good will that it was unilaterally ending from 7 April right through November 1985 further deployment of its medium-range missiles and suspending the implementation of other countermeasures in Europe. If, in response, the U.S.-NATO side were to show restraint regarding the deployment of U.S. missiles on the European continent, peace would undoubtedly have a substantial chance of advancing in the right direction. However, this unfortunately has not happened. Rather the reverse. The defense ministers of NATO bloc countries who recently conferred at NATO headquarters in Evere, discounting the peoples' will, confirmed their intention to continue deploying American Pershing 2 and cruise first strike nuclear missiles.

Thus, using the threadbare bogey of the "Soviet military threat" and vainly trying to smash the military-strategic equilibrium existing in Europe, the United States and its partners in the aggressive NATO bloc are making militarist preparations on an increasingly broad scale. The creation of new kinds of weapons of mass destruction is being accelerated. Attempts are being made to carry the arms race into outer space. Aggressive, offensive strategic concepts are being developed and adopted. The continent of Europe is thus being assigned the role of a theater of war involving the most up-to-date nuclear and conventional combat means. All this obliges Soviet servicemen to constantly improve their combat skills, to mount vigilant guard over the great gains of socialism, and to remain always ready to immediately repulse any aggressor.

WESTERN EUROPE

LOMEYKO DISCUSSES TIES WITH FRANCE, NUCLEAR TESTING

Moscow APN DAILY REVIEW in English 4 Jul 85 pp 1-2

[TASS item: "At the Press Centre of the USSR Foreign Ministry"]

[Text] 3 July—A briefing for Soviet and foreign journalists on some issues of international relations was held at the Press Centre of the USSR Foreign Ministry on July 3.

Vladimir Lomeyko, Head of the Press Department of the USSR Foreign Ministry, answered some questions of journalists in connection with the announced visit of Mikhail Gorbachev, General Secretary of the CPSU Central Committee, member of the Presidium of the USSR Supreme Soviet, to France and the Soviet-American summit meeting scheduled to be held in Geneva.

Answering the journalists' questions, the representative of the USSR Foreign Ministry said that Soviet-French relations have recently invigorated. This concerns not only business cooperation, the conclusion of a number of big contracts, but also a broadening of contacts in the political field.

Mikhail Gorbachev's visit to France and his talks with President Francois Mitterrand could contribute not only to a further developing of bilateral relations, but also to improving the international situation, a return to detente, a build-up of confidence and a reduction of the arms race, including its prevention in outer space. This visit and talks could also contribute to strengthening security and cooperation in Europe.

Answering the question what concrete steps the Soviet Union and the USA could take to normalise bilateral relations, V. Lomeyko pointed out that both sides could agree, for instance, on a complete and general termination of nuclear tests, on introducing a moratorium on all nuclear blasts, beginning from August 6, 1985, when the whole world will observe the 40th anniversary of the atomic bombing of Hiroshima. The USSR is ready to introduce a moratorium even at an earlier date, upon mutual agreement.

An important step towards limiting and reducing the nuclear weapons, the representative of the Soviet Foreign Ministry pointed out, could be a moratorium on outer space and nuclear weapons, including research work, testing and deployment of strike space weapons.

Moratorium is only the first step towards building up mutual confidence and it could contribute to a drastic cut in the nuclear weapons. If the USA agrees to a moratorium, it would be possible to introduce in the course of one-two months constructive proposals on all issues under discussion, including the level to which the strategic offensive weapons could be reduced, of course, only if the strike space weapons are banned.

A number of other measures could help normalise relations, in particular, adoption by the USA, following the Soviet Union, of the commitments not to be the first to use nuclear weapons, not to put anti-satellite weapons into outer space, to stop the deployment of its new nuclear missiles in Europe in answer to the termination of nuclear counter-measures by the Soviet Union.

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WESTERN EUROPE

COOPERATION WITH TURKEY

Moscow FOREIGN TRADE in English No 7, Jul 85 pp 22-25

[Article by Namik Yakubov, head of the Department for Economic Cooperation with the Middle East Countries, the USSR State Committee for Foreign Economic Relations: "USSR-Turkey: Economic and Technical Cooperation"]

[Text]

A number of large industrial projects constructed in cooperation with the Soviet Union catches the eye when you take a look at Turkey's economic map.

This beneficial cooperation has now become traditional. Its record goes way back to the early 1920s when the foundations were laid for equal, mutually-profitable and good-neighbourly Soviet-Turkish cooperation by V.I. Lenin and M.K. Atatürk, the first President of the Republic of Turkey.

The world's first socialist state has always been ready and willing to render selfless assistance to peoples fighting for their independence. Despite its own hardships caused by the Civil War and foreign intervention Soviet Russia, loyal to its internationalist duty, extended a helping hand to its southern neighbours, including Turkey.

The Soviet-Turkish treaty of 1921 drafted with V.I. Lenin's direct participation, is associated with agreement on extending a helping hand to Turkey in fighting against the imperialist aggression.

The textile mills in Kayseri and Nazilli built in the 1930s with Soviet assistance laid the foundation of Turkey's public textile industry. These enterprises are still making profits even in these modern days.

Such were the initial practical steps of the Soviet Union to give widespread (in terms of those times) technical assistance to a developing country. It was in fact a prototype of Soviet economic cooperation with the newly-liberated countries, a cooperation that started to gain extensive ground from the mid-1950s involving dozens of former colonies and semi-colonies in Asia, Africa and Latin America.

In the postwar years the Soviet Union assisted Turkey to construct its first national window-glass manufacturing plant in the city of Chayirova (near Istanbul); also, it supplied Turkey with equipment for three textile mills.

A new important phase in Soviet-Turkish economic and technical cooperation began March 25, 1967, after the signing of an agreement on Soviet supplies of equipment, materials and

services for the construction of several industrial projects in Turkey, and on the payment terms for them. The Soviet Union assisted Turkey to develop its basic economic sectors such as ferrous and non-ferrous, oil-refining, chemical and wood-working industries.

Soviet and Turkish personnel worked together in creating a new ferrous metallurgy centre in the city of Iskenderun in south-east Turkey. The one-million-ton-per-annum steel plant built there produces 32 per cent of Turkey's total steel. In total it has turned out some 6.5 million tons of pig iron and 4.4 million tons of steel since its commissioning. This year (1985) will see the work on extending output to two million tons per year completed. On request from the Turkish side Soviet organizations are drawing up the economic and technical substantiations for increasing the plant's annual capacity to four million tons.

Turkey is rich in high quality bauxites and for many years has been trying to develop its own aluminium industry. The Western countries, however, refused to help it construct a national aluminium facility. Because of this forced dependence on the capitalist monopolies Turkey had to spend annually some US \$50 million on imports of aluminium and aluminium products. The Turkish government asked the Soviet Union to help build Turkey's first national aluminium complex near the small village of Seydişehir in Central Anatolia able to annually produce 200,000 tons of alumina, 60,000 tons of aluminium and 25,000 tons of rolled metal. Today the complex makes practically every aluminium product—from alumina and primary aluminium to aluminium foil, and supplies most of the country's needs. In the Near and Middle East the

complex is by right considered a unique facility of this kind.

The oil refinery built with Soviet assistance near Izmir on Turkey's western coast is well noted for high efficiency and productivity and it accounts for 25 per cent of the Republic's total output of oil products. Since going into operation it has turned out 37 million tons of oil products of which part is exported. At present Soviet organizations are helping their Turkish partners raise the refinery's capacity to 10 million tons per annum.

The Soviet Union has also assisted Turkey economically and technically to construct the following facilities: a sulphuric acid factory (120,000 tons per annum) in the city of Bandırma on the coast of the Sea of Marmara (it operates above design capacity); a fiber-board factory (28,000 tons annually) in the city of Artvin in east Turkey; and a high-voltage electric transmission line bringing electricity from the thermal power plant in Seytomer to the aluminium complex in Seydişehir.

Thus, all the projects envisaged in the 1967 Agreement have been completed and put into operation. They were a good incentive for a wider long-term and mutually profitable co-operation finding its way into a series of new intergovernmental agreements.

In October 1984 a Soviet-assisted chemical plant was inaugurated in the city of Mersin to produce annually 25,000 tons of sodium bichromate and 8,500 tons of sodium sulphide for the textile, tanning and petrochemical industries. Turkey is now able not only to meet its own needs in these products and save foreign exchange, but export them. In the past the Western powers turned down Turkey's requests for assistance in constructing a facility of this kind.

Construction with Soviet assistance of a chemical plant to turn out 15,000 tons of hydrogen peroxide per annum is nearing completion in the city of Bandirma.

An important area of Soviet-Turkish cooperation today is power engineering. For Turkey which suffers short supply of electricity and tries to make use of its own lignites and hydro-power resources to produce it, energy development, specifically, the construction of power-generating facilities burning unimported energy carriers is a priority and a matter of vital importance. The Soviet Union is assisting Turkey to construct the Orhaneli thermal power plant (200 MW) that will improve the energy supply to Turkey's western areas. In principle an understanding has been reached on cooperation in building in Turkey a series of other energy-generating facilities.

Soviet-assisted projects are strengthening Turkey's national economy and increasing the potential of many state sectors. They are expanding the geography of industrial construction, accelerating the progress of the country's underdeveloped areas and creating new industrial centres thus expanding the exploitation of Turkey's national primary resources and employment of labour besides establishing and extending production and economic ties between different regions.

Speaking of Soviet-Turkish economic contacts T. Uchansu, President of the Exporter Association of Turkey, pointed out that while Western partners seek to infringe on Turkey's interests the Soviet Union, as the recent years experience of cooperation also indicates, builds its relations on integrity and observes the principle of reciprocity.\*

More than 30,000 Turkish workers, engineers and technicians work today at the Soviet-assisted enterprises which is an essential factor in terms of employment for Turkey.

Some specific areas of Soviet-Turkish economic cooperation—those contingent on close geographical proximity of the two countries—ought to be mentioned. Every year witnesses increasing freight traffic from Turkey to the Soviet Union and vice versa. In 1979 the Soviet Union began transmitting electricity to Turkey. Under a contract signed in 1984 deliveries of electricity are to be increased. In 1984 the two countries completed the construction on parity basis of a dam and a water reservoir on the Akhuryan (Arpachai) river on the frontier which will bring under irrigation more than 50,000 hectares of land on both sides and increase harvests of the crops raised there.

The Soviet-assisted projects in Turkey, those already in operation or still under construction, vividly illustrate the benefits that both countries equally draw from their economic cooperation. Turkey, as a rule, pays for Soviet industrial equipment and services in deliveries of national products which the Soviet economy can use. Such relations assure stability of cooperation and stimulate the growth of the Turkish economy and exports.

An important role in promoting Soviet-Turkish trade and economic intercourse belongs to the Joint Intergovernmental Soviet-Turkish Commission on Economic Cooperation set up in 1976, which meets alternately in Moscow and Ankara. The 7th meeting of the Commission took place in June-July 1984 in Turkey. The 8th meeting is scheduled for the second half of 1985.

Recessions and inflation plaguing the Western world has hit the developing countries hard, curtailing their exports and sending their foreign debts sky-high. Such phenomena never affect Soviet-Turkish economic relations and the terms of agreements signed remain unchanged.

The expanding Soviet-Turkish economic and technical cooperation is increasing trade between our countries and ensuring a stable market for the mutually exchanged goods. A good illustration is the Protocol on Soviet-Turkish Trade Turnover for 1985 signed in September 1984 which provides for a twofold increase in mutual exchange.

An important development in Soviet-Turkish economic relations was the conclusion, in September 1984, of a long-term agreement on deliveries of Soviet natural gas to Turkey. It provides for annual deliveries of 5,000 to 6,000 million cu.m of gas during 25-year period, starting in 1987.

Unlike imperialist states the Soviet Union seeks no monopolistic concessions, super-profits or property in the countries it renders economic assistance. All Soviet-assisted enterprises in Turkey have always become this country's national property.

No political or other strings are attached to any Soviet economic agreement with Turkey, or any other developing country for that matter. All Soviet-assisted projects in Turkey serve peaceful purposes and contribute to the Republic's economic growth.

There is still room for the further extension of Soviet-Turkish trade and economic relations. An encouraging contribution was the Long-Term Pro-

gramme for the Development of Economic, Trade, Scientific and Technical Cooperation signed in Ankara by the Soviet and Turkish heads of government on December 26, 1984. The purpose of the ten-year Programme is to further the mutually profitable cooperation in economics, trade science and technology and put it on a long-term and balanced basis.

The Programme provides favourable conditions for the dynamic growth of cooperation, including assistance to organizations and firms of both countries undertaking economic projects of mutual interest. The major areas of cooperation are: ferrous and non-ferrous metallurgy, mining, electrical engineering, oil refining, the chemical and light industries, mechanical engineering, construction, the woodworking and pulp-and-paper industries; also, power engineering and gas industry, including the construction of a gas main pipeline. Payment for the Soviet assistance will be made also in deliveries of products manufactured at the Soviet-assisted enterprises, or other goods which our economy requires. The Programme also contemplates cooperation in planning and joint construction of projects in third countries.

Besides the Long-Term Programme a five-year Trade Agreement (1986-1990) between the two countries was signed. It provides for a considerable increase in the Soviet-Turkish exchange of goods.

At the signing ceremony T. Ozal, the Turkish Prime Minister, pointed out that both the Programme and the Agreement "will give a new positive

impetus to the development of trade and economic relations between Turkey and the Soviet Union" and that they supplied the appropriate foundation for these relations "to acquire constancy and dynamism beneficial to both sides."

The experience accumulated from the mutually profitable Soviet-Turkish economic and technical cooperation irrefutably testifies that its further expansion meets the cardinal interests of our peoples and their desire to live in peace, in a confident and goodneighbourly climate.

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\* *Pravda*, October 29, 1984.

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English translation, "Foreign Trade", 1985

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WESTERN EUROPE

BRIEFS

FRG WRITER VISITS KIRGHIZIYA--Frunze SOVetskaya Kirgiziya in Russian 11 August 1985 carries on page 3 a 700-word interview with FRG writer Manfred Bosch. During the interview Bosch states that along with visiting Frunze, Moscow, Leningrad, Irkutsk, and Bratsk, he visited the kolkhoz "Trud" in Kantskiy Rayon where 80 percent of the inhabitants are German. He met with the director of the Lyuksemburg village secondary school Kaspar Brilts and with the secretary of the "Trud" kolkhoz party organization Vasiliiy Klyuger. When asked how he felt about the emigration of former Soviet citizens of German nationality, Bosch said "I do not know any of those people, nor have I seen them. But I regard their departure as unwarranted...Emotional impoverishment awaits the emigrants." Bosch had a most favorable impression of the places he visited in the republic. [Editorial Report]

CSO: 1807/449-P

EASTERN EUROPE

EAST EUROPEAN CEMA STATES: TECHNICAL R&D IN INDUSTRY

Moscow POLITICHESKOYE SAMOOBRAZOVANIYE in Russian No 7, Jul 85 pp 66-70

[Article by A. Khachatryan: "Control of Scientific-Technical Progress: the European CEMA Countries' Experience"]

[Text] It was observed at the CPSU Central Committee April (1985) Plenum that the improvement and enrichment of cooperation in every possible way, development of all-around relations with the fraternal socialist countries, their close interaction in the political, economic, ideological, defense and other spheres and concern for the organic combination of the national and international interests of all participants in the great community are under current conditions becoming a task of ever increasing importance. This is demanded insistently both by the common interests of the community and the requirements of the socioeconomic development of each state.

A characteristic feature of the current economic development of the majority of socialist community countries is a transition to the path of intensive production. And problems of its technical renewal have assumed particular significance. It was noted at a meeting in the CPSU Central Committee (June 1985) that the acceleration of scientific-technical progress is a fundamental issue of our party's economic policy.

The CEMA countries are paying the maximum attention to cooperation in the sphere of science and technology. The top-level CEMA economic conference in 1984 outlined a further expansion of contacts in this sphere. In particular, it is contemplated conducting on a broader scale mutual consultations and an exchange of experience in such important fields as forecasting and planning the development of science and technology and the formulation of comprehensive scientific-technical programs. Measures have been outlined for the optimum use of the socialist countries' joint scientific-technical potential. Their efforts are being concentrated for this purpose on the realization of large-scale cooperation programs encompassing the "science--technology--production" cycle.

Much has been done recently in the European foreign CEMA countries for an improvement in the control of scientific-technical progress. Their efforts in this sphere have been directed toward the search for the most efficient forms of the connection of science and production and methods of the economic stimulation of scientific-technical and production activity and the fuller coordination of the interests of the creators of new equipment and those who introduce and operate it. Many interesting efficient measures have been found

and put into practice in the channel of each of these directions. Their study and use, with regard, naturally, for the specific features of the Soviet Union's economic development, could produce considerable savings of time and resources in the further improvement of the control of scientific-technical progress in our country. It is to an examination of certain aspects of this experience that this article is devoted.

The improvement in the control of scientific-technical progress in the European CEMA countries is organically connected with the development of organizational forms of production. A principal factor prompting active quest in this direction is the need to bring science closer to production and to make the "research--introduction--production" process continuous and closely integrated in all its components.

Theoretical developments and management practice of the past decade have shown that the large-scale industrial complex is the basic production component within whose framework it is possible to influence the rate of economic development and the renewal of production to the greatest extent.

The experience which has been accumulated in this sphere shows quite convincingly that such production units make it possible to integrate science and production to a considerably greater extent than do small and medium-sized industrial enterprises. In addition, such an acute problem as the surmounting of the comminution and the departmental disconnection of scientific research and applied development is also resolved on the basis thereof. The results of scientific research also are introduced in production more rapidly and efficiently within their framework.

In Bulgaria, for example, it is now industrial associations, in the GDR integrated works and in the CSSR concerns and trusts which are currently the primary production unit making it possible with this degree of efficiency or the other to solve the above-mentioned problems. As a rule, they all represent powerful economic organizations with a relatively closed production process. Each of them performs certain assignments pertaining to R&D, its practical approval and mass production and the sale of the new product.

In the GDR, for example, an organized restructuring of industrial production on an integrated works basis was carried out in 1980, in the main. There are now more than 130 works of central jurisdiction and about 70 of district jurisdiction. The works encompass all of industry. They employ 99 percent of the workers and manufacture almost 100 percent of the industrial product.

The people's works in the GDR is a large-scale production complex. The material, labor and financial resources at the disposal of the works enables them to tackle independently even major problems of the retooling and modernization of the enterprises and to perform scientific research and introduce its results in production. It is important that practically each works has besides production enterprises R&D establishments (with the corresponding material-technical facilities), subdivisions for the manufacture of means of efficiency promotion (that is, means of mechanization and automation which are not batch-produced by industry) and also planning and

construction organizations and sales services (including foreign trade firms). Thus the Herbert Warnke Works for the manufacture of information equipment in Erfurt incorporates nine industrial enterprises and 8 R&D organizations and institutes. The Carl Zeiss, Jena Works employs almost 35,000 workers, approximately 5,000 of whom are representatives of science and technology. Currently more than 90 percent of sectorial science personnel has been transferred to the works in the GDR.

An important part in the works' system is played by the subdivisions for the production of means of efficiency promotion. In addition to their basic functions they fulfill a number of processes connected with supporting the activity of the works' R&D subdivisions: the manufacture of instruments and nonstandard equipment, tools and special material for R&D. In addition, these subdivisions also participate in the introduction of technical innovations, manufacture test batches of new types of product and put the finishing touches to them.

The presence in the works of such subdivisions creates favorable organizational-economic conditions for work on the constant technical improvement of production and a rise in product quality. The average product renewal term in the leading sectors of the GDR economy now constitutes 4-6 years. Predominantly thanks to the continuous qualitative renewal of production the volume of top-quality output has increased more than 15-fold at the present time compared with 1970. Labor productivity has been growing at 10 and more percent annually in recent years at many works.

The works and the organizational formations which are close to them have currently become the basic structural unit of the control of scientific-technical and production activity in a number of other CEMA countries also. Thus in the CSSR large-scale production associations--concerns and associations of enterprises--serve as the basic production component in industry. Both these forms have much in common, but the associations are characterized by a greater centralization of control. One of their most striking representatives is the CKD-Praha Production Association. It incorporates a number of engineering plants, a foreign trade enterprise and scientific research organizations. A special school undertakes the workers' vocational training. The proportion of new products in its output constitutes 15-18 percent annually, and a considerable proportion thereof corresponds to the world level. The Martin Heavy Engineering Plants Association is a large-scale engineering organization. It incorporates 10 enterprises and 6 specialized scientific research institutes. It produces the latest equipment for various sectors of the national economy, including metallurgy, construction, forestry and water-resources construction.

As a whole, the CEMA countries' experience indicates that the creation of large-scale science-production complexes (with developed scientific-technical and planning services, experimental production and plants for the series and mass production of new equipment) forms favorable prerequisites for the accelerated introduction of scientific-technical achievements in production. The incorporation in these complexes of subdivisions capable not only of developing and producing new equipment but also (which is particularly important) of servicing complex technical systems throughout their "life" cycle is of particular interest.

The experience of the creation in the CEMA countries of specialized introduction organizations which render the enterprises scientific-technical and other support at the time of production renewal is of interest. Such organizations have been operating for a number of years now in Bulgaria, Hungary, Poland and other countries. They do not substitute for the scientific research institutes and design bureaus, having their own specific sphere of activity. These organizations are created to facilitate the accelerated mass introduction of scientific-technical results which have already been obtained and to impart to them a form suitable for actual use in production. Essentially they are intermediaries of a kind between the scientific-technical organizations and the enterprises (small ones, primarily). I believe that the experience of their work is of interest for our country also. For the problem of "fixing the print" of and using in production scientific-technical results which have already been obtained is now very acute for us also. Practice shows that completed developments are introduced, as a rule, at a very small number of enterprises. There is also considerable significance in the fact that the introduction organizations in the fraternal countries deal not only with developments of the scientific research institutes but also the proposals of inventors and efficiency promotion experts.

The introduction organizations functioning in the CEMA countries are comparatively small, as a rule. The strength of their staff is frequently several dozen persons. They unite highly qualified specialists of various branches of science and technology. Given certain singularities of these organizations in different countries, a common feature is the fact that temporary special-purpose groups are set up under the leadership of their staff specialists for tackling specific assignments. The former are enlisted on a contractual basis in putting the finishing touches to innovations, the necessary test-experimental work, preparation of the appropriate production forms and records, engineering-consultation services pertaining to the introduction of innovations and so forth. Specialists are invited to work in these temporary groups on plurality terms with the consent of the leaders of the establishments where they are permanently employed.

The basis of the activity of these organizations is the competitive selection of the proposed inventions and efficiency promotion proposals. Naturally, those which promise the greatest economic results are selected. Following the choice of a specific technical solution the introduction organization performs work on a contractual basis on conveying this innovation to interested enterprises. The results of the developments are brought here to a form in which they may be used directly for series production. These organizations' outlays are recouped from the proceeds from introduction of the technical innovations.

Naturally, in each country in which such organizations have been created there are certain specific features in their activity. For example, in Bulgaria the efforts of the "Progress" Accelerated Introduction Center are directed primarily toward the innovations which are attended by economic risk and which enterprises are usually reluctant to take up. In addition, this organization deals with the introduction of technical novelties acquired abroad. The sphere

of its activity is vast--from performing the necessary R&D through the manufacture of test models and devices and also work on introducing the technical novelties in production. In 1983 the center introduced 76 developments, the savings from which constituted more than 63 million lev. Among the most significant developments introduced by the center were new technology for the production of magnetic disks for computers and technology for restoration welding or rapidly deteriorating machinery units and parts.

Such introduction organizations as the "Posteor" enterprises for the introduction and dissemination of technical progress (Poland), the "Technova" Industrial Innovations Fund (Hungary) and others also operate in this same direction. It should be noted that the introduction organizations are not the basic organizational form of the integration of science and production. They exercise auxiliary functions ensuring the flexibility of the interconnection of the phases of the development and introduction of new technology and facilitating the introduction of scientific-technical results which have already been obtained. These organizations' main task thereby is imparting to the results of R&D the form necessary for their use in production under specific conditions and providing them with an actual practical orientation.

Experience that is diverse and interesting, as a whole, has been accumulated by the fraternal countries in the sphere of financial support for scientific-technical progress and its economic stimulation. It is not fortuitous that particular attention is being paid to these questions. In our time economic levers and incentives serve as a most effective instrument of acceleration of the rate of scientific-technical development.

As the economic independence of the enterprises and associations expands, the accent in ensuring their development in all the European CEMA countries is shifting to intrinsic resources. The closer linkage of the formation and distribution of profits and the economic incentive funds with the end results of work is enhancing considerably the economic responsibility of the enterprises (associations) for adopted decisions and the efficiency of the use of their available resources.

The technical development funds (science and technology funds), which are being created, as a rule, at all levels of management--in ministries and associations and at enterprises--are currently the basic source of the financing of R&D in the fraternal countries. The bulk of the work on scientific-technical development, the acquisition of licenses and the payment for technical information are financed from these funds. These funds also cover expenditure on the assimilation of the production of new equipment.

A significant proportion of the technical development resources is accumulated at the subsectorial, sectorial and, in some countries, intersectorial level. Thus in Hungary these resources are concentrated in the corresponding funds of sectorial ministries and the State Committee for Technical Development. The performance of mid-term and long-term R&D plans and work on priority research incorporated in the ministry and department goal-oriented programs are financed thanks to them. Similar systems operate in Bulgaria, the CSSR and other countries. Their experience shows that endowing state scientific-technical development control authorities (primarily science and technology

committees and ministries) with special funds for financing scientific-technical progress enables them to solve the corresponding questions at an intersectorial level more promptly and affords an opportunity for maneuvering financial resources.

It is well known that the development and introduction of new equipment are attended, as a rule, by a certain economic risk--it is not always possible to correctly determine its future efficiency, particularly at the initial stages of development. It is for this reason that reserve funds and risk funds are being set up at enterprises of a number of CEMA countries. The main purpose of their creation is economic support for the scientific-technical organizations engaged in developments attended by risk and the enterprises introducing the new equipment. Thus in the GDR resources of the reserve fund cover supplementary unplanned expenditure and also work in the sphere of the creation and use of scientific-technical process stock attended by economic risk. The main purpose of the reserve fund created at Hungarian enterprises is to maintain the economic incentive funds for the period of the development and introduction of new equipment at a level close to the level of profitability achieved in the period of work in recent years.

The CEMA countries' experience in the sphere of extending credit for scientific-technical development merits attention. Thus, for example, so-called innovation credit was introduced in Hungary in 1980, this being made available by the bank for the introduction of scientific-technical innovations to enterprises which have to rapidly introduce and assimilate this innovation or the other (national inventions, efficiency promotion proposals and so forth), but which lack sufficient financial resources for this.

The so-called Innovations Fund was created in the country in 1980 thanks to resources of the Hungarian National Bank and the State Committee for Technical Development. It is used mainly to assist inventors and efficiency promotion experts. The specialists enlisted for work in this fund make an expert appraisal of the possibilities of realization of the proposals which are received and select those which could produce economies in raw material and energy and quick profits. The fund organizes and finances the experimental verification of technical innovations, researches the sales markets of the new product or technology and concludes the corresponding contracts with interested organizations. In the first 3 years of its operation it has received approximately 600 applications and proposals from inventors and efficiency experts, of which more than 150 have been accepted for introduction. A large part of them is connected with the development of new technology, products and also industrial equipment. Insofar as the authorized strength of the fund's employees constitutes 20 persons it avails itself of the services of a broad range of experts and consultants temporarily enlisted in its work.

Experience of the competitive granting of credit for the needs of scientific-technical development has been accumulated in Bulgaria also. Securing the highest profitability, high product quality, the introduction of more progressive equipment and technology and the shortest times for the recovery of invested capital are the main reference point in the allocation of credit here.

Financially autonomous relations in the scientific-technical sphere have been intensifying and expanding in the majority of European CEMA countries in recent years. The sectorial scientific-technical organizations of Bulgaria, Hungary, the GDR, Poland and the CSSR now works on a cost accounting basis. This has, naturally, also been reflected in the scientific-technical organizations' financial mutual relations with production. The main change has been substitution for the "payment for outlays" principle, which has predominated in the scientific-technical sphere in recent years, of the principle of the "payment for the results" of scientific-technical activity. As experience shows, this change is converting the financial system from one allocating capital to one which actively participates in the control of R&D and increases the material responsibility of the developer for the scientific-technical level and time and cost of the performance of the work and of the client for the accelerated introduction in production of the results that have been obtained.

The closer linkage of incentives with the actual results obtained as a result of the introduction of scientific developments in production has become a basic direction of the development of financially autonomous relations in the scientific-technical sphere. Thus a cost evaluation of the results of R&D was introduced in Bulgaria for this purpose in 1983. As of 1984 scientific-technical organizations in the GDR have also been selling the results of their developments to the integrated works and enterprises at agreed contractual prices. The final price of a development is determined with regard for additional charges and discounts connected with the results of the use of the technical innovation in production. A similar system of price-forming for scientific products operates currently in other countries also. This enables the scientific organizations to recoup their expenditure and obtain profit in direct accordance with the end results of their activity.

A transition to new systems of regulating the wages of workers employed in the scientific-technical sphere is under way in a number of CEMA countries currently. In Bulgaria the wage fund in the engineering-introduction organizations (sectorial scientific research institutes, design bureaus, science-production and consultancy organizations, development and introduction centers and others pertain to this category) takes shape as a resultant-residual value. Upon distribution of their income normative deductions into the budget and payments to and deductions for higher organizations are made first of all. Then come the normative deductions into their own economic incentive funds, and the remaining resources are used for payment of the wage.

A different approach to the organization of their workers' wages is effected in the scientific-technical organizations of the GDR and the CSSR. Its essence is that the wage is broken down into two components: the guaranteed (basic, scheduled) and variable (incentive) parts. The variable part here (10-15 percent of the total amount of the wage) is paid to the worker on condition of fulfillment of the plan quotas determined for the group and the individual worker. The point of this system is that upon conclusion of a work contract a worker is guaranteed a minimum salary, but an addition to it may be obtained only in the event of his efficient labor.

The forms of awarding bonuses for the creation and introduction of new equipment in the CEMA countries are also dissimilar in connection with the differences in the control of the economy and the operating remuneration practice. In the majority of countries (particularly in Hungary, the GDR, Romania and the CSSR) bonuses for new equipment are paid within the framework of general regulations governing the payment of bonuses to the working people for the fulfillment of current production quotas. In a number of countries (Bulgaria, Poland) special systems of paying bonuses for the creation and introduction of new equipment operate. As a whole, however, it may be said that a trend toward the gradual substitution for special systems of encouraging scientific-technical progress of general instruments of stimulating production has taken shape in many CEMA countries in recent years. The basic idea of such an approach is that the results of the introduction of scientific-technical achievements in production should be manifested in its overall result--a reduction in prime production costs and a growth of profits, which serves as the main source of the formation of an organization's general bonus fund. For this reason the encouragement of workers engaged in the development and introduction of new equipment is undertaken within the framework of the general rules of the payment of bonuses to the working people for the results of economic development as a whole, with regard, of course, for their contribution to the technical improvement of production.

An active quest is under way in the Soviet Union also for ways and forms of improving the control of scientific-technical progress since the latter is a most important condition of an appreciable acceleration of the country's socioeconomic development. And this now and in the future, as the CPSU Central Committee April (1984) Plenum emphasized, is the basic concern of the party and the Soviet people. Use of the experience accumulated in this sphere in the fraternal socialist countries could produce considerable results in the solution of the said complex and multifaceted problem.

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## EASTERN EUROPE

### DIRECT TIES WITH CSSR

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 5,  
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[Interview with Oleg Zinchenko, deputy minister of the USSR electrical equipment industry, by editors of EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV: "The Fruitfulness of Direct Ties"; date and place not specified]

[Text] [Question] Socialist economic integration in the electrical equipment industry is being carried out on more regular basis and on a broader scale. The USSR and CSSR are making an important contribution to this. Tell us, please, about their largest joint operations.

[Answer] The level of development in the electrical equipment industry has a substantial influence on the economic growth of CEMA member countries. It occupies a special position among those sectors that determine technical progress. It is, after all, responsible for manufacturing equipment and devices for producing, transmitting, and transforming electrical power. Labor productivity in industry and agriculture depends to a great extent on the power-worker ratio.

Utilizing the advantages of the international socialist division of labor and supported by the planned nature of economic development, fraternal countries organized the specialized and large-scale production of many types of electrical equipment products with a guaranteed market. Cooperation on both a multilateral and bilateral basis has a great economic effect.

A graphic example of this fruitful cooperation can be seen in the creation of a unified series of low-voltage asynchronous electric motors for the USSR and CSSR that meet world standards. The United Scientific and Technical Council was created in 1970 to work on this important task, along with its working organ, the Soviet-Czechoslovak United Design and Technological Bureau. At the first stage (1971-1972), specialists from the two countries prepared manufacturing plans and test models for the M4A series of electric motors. They earned a gold medal at an international exhibition in Brno in September 1972. The Soviet-Czechoslovak development served as a foundation for the new AI [asynchronous "Interelectro"] series of electric motors for socialist countries.

The agreement between the governments of the USSR and CSSR on long-range cooperation in the creation of specialized plants for manufacturing asynchronous motors in a single, standardized series (signed in 1973) played an important role in deepening and improving cooperation in the electrical equipment industry. It called for the introduction of new manufacturing processes, and the development, production, delivery, and installation of equipment. Plans were also made to sign an agreement on the division of labor in the production of electric motors and spare parts for them. A number of special agencies were formed to carry out these tasks, including joint temporary working groups responsible for various areas.

In recent years design and engineering organizations in the USSR (Electrical Equipment Scientific Research Institute in Yerevan, the Special Design Bureau of the Siberian Electric Motor Production Association in Tomsk, the Electric Machine Building Scientific Research, Planning, Design, and Engineering Institute in Vladimir) and in the CSSR (the VUES [expansion unknown] in Brno, the MEZ [expansion unknown] in Mohelnice and Mihalovce, the ZSE [expansion unknown] in Prague) and others, worked together to prepare documentation for the production of electric motors in a unified, standardized series using an automated planning system. In 1985 and 1986 there are plans to send equipment with a control complex for periodic testing from the USSR to the CSSR.

Scientific and technical cooperation is being improved yearly and it is providing a solid foundation for the transition to a higher level--integration. Evidence of this can be seen in the construction and reconstruction of plants in the cities of Uzhgorod and Luninets (in the USSR) and Mihalovce and Mohelnice (in the CSSR). Specialists from the State Electrical Planning and Scientific Research Institute (in Moscow) and the Metal Design Institute (in Prague) participated in the planning of these projects. Today structures for ancillary shops, a boiler plant, an electrical substation, a pumping station, a gas pipeline, and spur tracks have already been built in Uzhgorod. Work on the main building has been completed, and the installation of equipment has begun. In Luninets a new shop with a capacity of 3000 tons of castings per year has been put into operation. Our Czechoslovak friends are also working according to schedule.

Automated organizational and technological control systems for plants in Uzhgorod and Mohelnice are being created through the joint efforts of the two fraternal countries. This task should be completed in 1985. There are plans to install in the Uzhgorod plant Czechoslovak automated warehousing complexes controlled by a dispatcher service. The plan also calls for utilization of the ES and SM (USSR) and ADT (CSSR) electronic computers for automated control systems in the enterprise, warehouses, sections, the transportation system, and machine tools. Specialists from major scientific centers in the USSR, such as the Electrical Machine Building Scientific Research, Planning, Design and Technological Institute (Vladimir), the Automated Control Systems Planning and Design Bureau (Kishinev), and the State Electrical Planning and Scientific Research Institute (Moscow), are working on this problem, along with their colleagues from the CSSR (MEZ, Mohelnice).

The agreement signed in 1977 between the USSR and CSSR Ministries of Foreign Trade and Ministries of the Electrical Equipment Industry on specialization and

cooperative production of a unified, standardized series of electric motors and mutual exports of large batches of products with the appropriate modifications up to 1990 marked an important stage in the development of cooperation.

The working group on economic issues outlined measures to ensure mutual deliveries of specialized products and spare parts up to the year 1990, and to provide cooperation in the markets of third countries. In addition to scientific and planning centers of both countries, foreign trade organizations participated in the preparation of these measures.

[Question] As indicated at the Economic Summit Conference, one of the important directions in improving cooperation at the current stage is to strengthen direct ties among enterprises and associations in fraternal countries. Which of the enterprises in this sector are the most active in this cooperation?

[Answer] First of all, one should point out that the goal of direct ties is for labor collectives to achieve, on the basis of specialization and cooperative production, better results in production, scientific research, and testing and design operation, and to exchange experience and technical innovations. Direct ties also play an important role in helping people get to know one another better and in improving skills, in other words, in the international education of the workers.

I have already named a number of Soviet and Czechoslovak collectives that are engaged in successful cooperation in creating a new series of electric motors. Every year contacts between the Leningrad Electrical Power Production Association imeni S. M. Kirov and the Electrical Equipment Plant of the CKD-Prague concern are growing stronger. Cooperation is based on coordinated plans and is aimed at creating new and improving existing designs and technology used in alternating and direct current electrical machinery with a capacity of over 100 kilowatts. There are plans to resolve a wide range of other pressing technical problems and to utilize the experience of our friends and introduce their achievements as rapidly as possible.

For example, Leningrad workers borrowed from the experience of Prague workers and developed electric motors with a capacity of 4000 kilowatts and a voltage of 5 kilovolts. This made it possible to reduce the size of the machines, reduce their weight by 30 percent, raise their efficiency, and reduce the labor-intensiveness. Utilization of an automated planning system has had a significant effect. It made it possible to reduce the time required to develop new equipment by 15-20 percent and to reduce the cost of these operations by 10 percent.

Contacts with friends have also been fruitful for the collective of CKD-Prague. When they developed a series of electric motors with an "air--air" cooling system, they followed the example of other workers in the same field and used a new design for current collector rings on alternating current machines. This improved the machine's operating characteristics and simplified its design. They used the experience of their Leningrad colleagues in the development of a number of other products as well.

An important form of direct ties is the resolution of complicated technical problems. Collectives working together are developing production of standardized equipment, including traction electric motors for locomotives (the Electrical Heavy Machinery Plant and CKD-Trakce); they are testing tram cars with a tiristor-impulse control system (the All-Union Crane and Traction Electrical Equipment Scientific Research, Planning, Design and Technological Institute of the "Dynamo" Production Association and CKD-Trakce), among other things. Specialists from the two fraternal countries are helping each other in the development of high-frequency equipment with a capacity of 60-100 kilowatts for welding thermoplastic materials in the motor vehicle industry and other sectors of industry, along with new types of self-contained tiristor electrical drives, new manufacturing processes for the production of quartz glass and glass quartz substitutes, and in introducing industrial robots and manipulators.

[Question] Tell us, please, what contribution your sector is making to resolving the fuel and power problem.

[Answer] This is one of the most complicated problems today. Special attention is given to this problem in coordinating the economic policies of CEMA member countries and in outlining the tasks for the near and more distant future, and for this reason it occupied an important position at the Moscow Economic Summit Conference. The leaders of the fraternal parties pointed out the need to reduce the power consumption in production by introducing progressive methods and the latest equipment, and by making further improvements in the production structure and in power consumption. A set of measures was outlined with the aim of stepping up development of atomic power engineering and making better use of all forms of power, including nontraditional sources. As electrical engineers, we are faced with a great deal of work in this area, as are our enterprises and scientific research institutes.

I should mention that today we are doing a great deal of varied work to develop equipment that will ensure reliable operation of atomic power stations in the presence of seismic activity. In recent years continuous feed systems, equipment block generator complexes, vertical electric motors, circulation pumps, special thermoradiation cables, and contemporary control and protection systems for electric power plants have been developed and manufactured at our leading plants and associations and put into use. This means that in order to carry out the tasks outlined at the Economic Conference, we need to redouble our efforts and focus our attention on key problems in the development of nuclear power. A great deal of work remains to be done in other areas as well.

Our ministry is participating in the development of new and renewable sources of energy, in particular, systems that convert solar energy into electricity. Our research is being carried out on the basis of an accord signed by the nine CEMA member countries.

A number of important studies have already been completed. Application of their results will provide a significant savings of funds, materials that are in short supply, and organic fuel. In the conversion of solar energy, for example, there has been a reduction in the use of silicon and an improved method for manufacturing this material has been introduced, which has made it

possible to cut the cost of ground-based solar elements to one-fifth the previous cost.

Scientific developments involving new types of solar elements and chemical current sources that require one-third to one-fourth the amount of original materials to obtain the same amount of power have also been completed. Introducing the new technology for the production of these materials in all the CEMA member countries will make it possible to achieve an annual savings of up to 40,000 tons of zinc, 50,000 tons of manganese dioxide, 20,000 tons of tinplate, and 800,000 tons of brass and copper, and to reduce standard manpower requirements by 10,000 people.

Multilateral cooperation involving experimental groups for superconducting and cryoresistant electrical power lines and experimental models of electrical machinery with superconducting winding is also undergoing successful development. The USSR Ministry of Power and Electrification is the chief organization in these endeavors. Our ministry has been assigned the task of erecting an international center for testing superconducting cryoelectric power equipment and cryogenic electric power lines.

Scientists at the All-Union Electrical Machine Building Scientific Research Institute (Leningrad) have obtained some important results. They created a cryoturbogenerator with a capacity of 20 megawatts with superconducting excitation winding that is cooled by liquid helium. A superconducting turbogenerator with a capacity of 300 megawatts has been developed and is now being built in metal at the "Elektrosila" [Electrical Power] Association.

Other CEMA member countries, and the CSSR in particular, are making an important contribution to this research. There are plans, for example, to work with the "Skoda" firm to develop stator winding for a cryoturbogenerator. Introduction of this equipment will make it possible to increase the capacity and efficiency of superconducting machinery.

The universal nature of our sector, which manufactures fixed capital used in electrification, is responsible for its special role in the international socialist division of labor.

Electrical engineers in the USSR and CSSR, and in other fraternal countries, share many common interests. They are working to create new types of machinery that are at a high technical level, are reliable and durable, and do not require a large consumption of materials. These and other fundamental problems in the sector are resolved through combined efforts both on a bilateral basis and within the framework of "Interelektro".

At the 24th meeting of the Permanent Soviet-Czechoslovak Working Group on Economic, Scientific and Technical Cooperation in the Electrical Equipment Industry held in 1984, primary attention was focused on questions involving long-range directions for cooperation between 1986 and 1990.

As in the past, the specialists from the two fraternal countries will concentrate on creating and testing new types of large electrical machinery. There are plans to develop and introduce new manufacturing processes, as well

as the latest equipment for the production of glass and light sources, and medical equipment using new electro-carbon materials and products made from them.

New types of industrial robots, manipulators, automated technological complexes for flexible production systems, and current and future types of electrical drives will be important in the research conducted by scientists and engineers from the USSR and CSSR. All this work will be organized in such a way as to make maximum use of the experience gained by everyone involved.

Vast opportunities are opening up for electrical engineers from the two countries within the framework of the international organization "Interelektro". At present there are a number of major, comprehensive programs to be carried out that are aimed at equipping various sectors of the national economy with modern and reliable electrical products that meet the top world standards. With this aim we have organized extensive specialization in their production and mutual deliveries of the products.

One of the comprehensive programs is meant to meet the countries' demands for modern, self-contained standardized electrical drives for metal-cutting machine tools with numerical programmed control. Cooperation among electrical engineers and machine tool builders began in 1975. At present, because of the electrical drives created within the framework of "Interelektro", in the USSR alone about 100 different models of contemporary machine tools with numerical programmed control are being produced. This made it possible to raise the productivity of metalworking by 20-30 percent, to improve the precision, quality, and reliability of the machinery, and to simplify their kinematics.

Work has now begun within "Interelektro" on the development of new, standardized series of electrical drives. The gains that have been made by specialists in the fraternal countries give us reason to hope that the demands for contemporary, controlled electrical drives will be met fully, and this will make it possible to create high-quality machine tools, industrial robots, robotic machine tool modules, and flexible automated production systems.

Other important scientific and technical problems are also being solved through the joint efforts of countries involved in "Interelektro", including the USSR and CSSR. The participating countries have developed, for example, a number of power semiconductor instruments, including more than 150 types of contemporary diodes and tiristors that are distinguished by improved weight and size indicators, greater efficiency, reliability, and durability. The new equipment provides a substantial savings in silicon, tungsten, copper, and ferrous metals. Joint work is being carried out successfully to develop tiristor-diode modules for transformer equipment carrying currents up to 160 amperes. Work on the development of a series of power distributor transformers with a capacity of 1600 kilowatt-amperes at a voltage of up to 20/22 kilowatts, in addition to self-contained condenser units with small-scale instruments and film condensers.

Evidence of the effectiveness of cooperation within the framework of "Interelektro" can be seen in calculations made by Czechoslovak specialists. Distribution of labor among the countries and use of this method to eliminate

duplication and parallel performance of work in scientific research and planning and design operations has made it possible to save approximately 3 million korunas. There has been a reduction of about 22.5 million korunas in expenditures on the production and testing of experimental models. The creation of three types of mica insulation material with high parameters to be used on standardized rotating machinery made it possible to save about 30 million korunas.

All this inspires confidence that the efforts we are making to increase the effectiveness of cooperation will be just as fruitful as in the past.

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**EASTERN EUROPE**

**COOPERATION WITH BULGARIA**

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[Article by Georgi Jambov, plenipotentiary minister and trade representative of the People's Republic of Bulgaria in the USSR, under the rubric "Integration in Action": "Bulgaria and the USSR--Fraternal Cooperation"]

[Text] The strong unity and sincere friendship with the fraternal Soviet people have always been the strategic policy of the Bulgarian Communist Party, and these are still decisive factors in the successful construction of a developed socialist society in our country. "We are bound to the Soviet Union by our common ideas; common goals, common struggle, and our common communist future." These words of Todor Zhivkov, general secretary of the BCP Communist Party Central Committee and chairman of the Bulgarian State Council, reflect the thoughts and aspirations of all the Bulgarian people.

In a short historical period--the 40 years since liberation--the Bulgarian people, under the leadership of the BCP, have traveled a glorious, creative course and have made major gains in the development of productive forces and in raising the people's physical and intellectual standard of living. Today our country stands among the economically and politically developed states of the world.

In the years of socialist construction the working class in Bulgaria increased from 300,000 to almost 2.6 million people. In the four decades the production of industrial goods in the country increased by a factor of 82, electrical power production rose from 275 million kilowatt-hours in 1944 to 45 billion kilowatt-hours in 1984, or by a factor of more than 150. During this same period agricultural production increased 3-fold, even while the number of people working in this sphere dropped by two-thirds.

Revolutionary changes have taken place in all areas of our society. Today Bulgaria has reached the same level of production and consumption per capita of a number of the most important food products and industrial goods, and the same power-worker ratio as that found in countries whose economic level 40 years ago was much higher than Bulgaria's.

The great gains made in our country's social and economic development are the result of the consistent Marxist-Leninist policies of the BCP that are aimed at

maximum buildup of our scientific, technical, and production potential, policies which became especially fruitful after the historic April Plenum of the BCP Central Committee in 1956.

At all stages of the campaign to build a new society the Bulgarian people have received all-round assistance and support from countries of socialist cooperation, especially the Soviet Union.

In the past 10-15 years, as a result of implementation of the Comprehensive Program for Socialist Economic Integration, there has been significant expansion in and strengthening of the all-round cooperation among fraternal countries, which has promoted dynamic growth in the mutual deliveries of machinery, equipment, raw materials, and so on. The decisions made at the CEMA Economic Summit Conference held in June 1984 represent an important new step in this direction. These decisions will promote further social and economic development in the fraternal countries and the initiation of a qualitatively new stage in economic cooperation and socialist integration.

A graphic example of the rapid growth in economic cooperation among countries of socialist cooperation can be seen in the all-round ties that have been established, particularly trade and economic ties, between Bulgaria and the USSR.

In 1984 trade with CEMA member countries accounted for over 15 billion rubles, or over 76 percent, of Bulgaria's total foreign trade, and trade with the USSR accounted for 11.6 billion rubles, or about 60 percent. In recent years Bulgaria's foreign economic relations have been growing at a rapid and stable rate, reflecting the objective need to expand and strengthen the international socialist division of labor.

The dynamics of the foreign trade turnover between Bulgaria and the USSR in the past three five-year plans were as follows: 1971-1975, 13.5 billion rubles; 1976-1980, 29.0 billion rubles; and 1981-1985 (estimated), 52.0 billion rubles.

In December 1984 Bulgaria and the USSR signed the latest protocol on exchange of goods and payments for 1985. The agreement calls for an increase in the trade and economic turnover to 12.6 billion rubles. Considering that the fulfillment of mutual deliveries of goods and services in the past 4 years of the current five-year plan was about 39 billion rubles, one should expect that the total trade between the two countries for the five-year plan as a whole will reach almost 52 billion rubles as a result of an increase in the physical volume of exports by Bulgaria and the USSR in mutual trade. An increase in prices for raw materials and energy resources will also have a certain effect.

There are three basic groups of goods exported by Bulgaria to the USSR:

- Machinery, structures, replacement and finishing parts and assemblies;
- Food products and foodstuffs;
- Industrially produced consumer goods.

In the first four years of the current five-year plan alone Bulgaria's export to the USSR of goods in the second and third groups increased by 52 percent. These include goods that have become Bulgaria's traditional export articles to the Soviet Union, such as fresh fruits and vegetables--tomatoes, peppers, cauliflower, apples, grapes, peaches, various berries, tobacco, cigarettes, among other things, as well as canned goods, such as canned meat, canned meat and vegetables, canned fruits and vegetables, bottled juices, wine, and brandy, winemaking materials, and so on. In addition, Bulgaria exports perfume and cosmetic articles, toothpaste, furniture, clothing and knitted goods, shoes, leather goods, fur articles, and so on. We should point out that in recent years the quality of these goods has been improved substantially as a result of timely measures taken by the BCP Central Committee and the Bulgarian government.

The increase in Bulgaria's exports to the USSR between 1980 and 1984 is illustrated in the table below.

	Unit of measurement	1980	1984
<b>I. Foodstuffs</b>			
Poultry (slaughtered)	thousands of tons	4.3	12.1
Canned meat and vegetables	"	25.8	35.0
Sheep's milk cheese	"	5.2	10.0
Fresh vegetables (tomatoes, peppers, etc.)	"	62.4	93.0
Fresh fruit (apples, grapes, etc.)	"	39.4	113.0
Processed fruit	"	139.7	180.0
Brandy	thousands of deciliters	481.2	660.0
Bottled wine	millions of bottles	234.7	292.5
Winemaking materials	thousands of tons	20.0	30.0
Cigarettes	billions	50.6	56.0
<b>II. Industrially produced consumer goods</b>			
Clothing articles	millions of rubles	78.8	106.0
Leather clothing	"	10.0	13.3
Knitted goods	"	33.7	45.0
Leather articles	"	19.5	22.0
Leather shoes	thousands of pairs	474.0	500.0
Slippers	"	1685.0	1800.0
Furniture	millions of rubles	38.7	54.0
Toothpaste	thousands of tons	24.1	30.0
Perfume and cosmetics	millions of rubles	40.9	100.0

Despite the difficulties caused primarily by the seasonal nature of the deliveries, Bulgaria's export of goods in these groups to the USSR will contribute a great deal to satisfying the growing demands of the Soviet consumer.

Machine building products represent an especially important group in Bulgaria's exports to the USSR. This group includes materials handling machinery and

equipment, computer equipment, products of the electrical equipment industry, communications instruments and equipment, equipment for light and food industry, ships and marine equipment, self-contained units for the construction materials industry, replacement parts and assemblies, and agricultural and other equipment.

It is also gratifying to note that articles of the highest technical level and products representing technical progress not only in machine building itself, but in other areas as well, are accounting for more and more of Bulgaria's exports of machine building products.

In the five-year plan between 1971 and 1975 Bulgaria's exports of computer equipment to the USSR totalled 500 million rubles, and between 1976 and 1980 these exports reached a value of 1.6 billion rubles. In the current five-year plan these exports to the USSR will reach 3.2 billion rubles; this is a 2-fold increase over the exports between 1976 and 1980. These products include various modifications of foreign computer memory equipment with 29, 100 and 200 megabyte memory, word processors, microprocessor systems for automatic control of various facilities (warehouses, petroleum depots, filling stations, and so on), a telecommunications system for processing ESTEL [expansion unknown] data, and so on.

Bulgarian and Soviet specialists, working on the basis of coordinated activities of all the CEMA member countries in the area of scientific and technical improvements in electronic equipment, are involved in the creation of designs, organizing production, set-up, and adjustment, and ensuring normal operation of this equipment.

We should point out that about 80 percent of Bulgaria's demand for components and individual assemblies for products of the electronics industry, such as integrated circuits, semiconductor instruments, dismantling devices, resistors, throttles, and so on, are imported from the USSR.

This is just one of the many examples of close cooperation between Bulgaria and the USSR in the area of machine building.

The same can be said about the production of materials handling equipment in Bulgaria, such as electric loaders and cars, automatic loaders, electric hoists, and control systems for sophisticated motors for metal cutting and metal working machine tools, large batches of which are shipped to the USSR every year. In 1984 alone Bulgaria sent 55,000 electric and automatic loaders to the Soviet Union, along with 96,000 electric hoists, and many robots, manipulators, and other types of equipment.

For two years now Bulgarian heavy machine building has been represented in the country's exports. Two of the largest plants in the cities of Radomir and Ruse, with the help of Soviet specialists, using their specifications and basic design assemblies supplied by the USSR, have begun producing rotary excavators, heavy crushers, metallurgical equipment, and other machinery for both Bulgaria and the Soviet Union. Cooperative and specialized production among Bulgarian and Soviet plants in this area is another example of technical and economic cooperation between our fraternal countries.

In addition to the growth in the scale of economic ties and the volume of mutual deliveries of a wide variety of goods, the forms and content of cooperation are undergoing improvement. Bulgarian workers have been working in the USSR for 15 years now. They are engaged in the extraction and processing of petroleum, gas, and iron ore, and they work at paper and pulp plants and in other sectors of industry. They are making a contribution to providing Bulgaria with the raw materials and energy resources it requires. Bulgarian timber workers have been participating for many years in joint operations to harvest the Soviet Union's rich timber resources under harsh conditions in the Komi ASSR.

New forms of cooperation are being introduced that enrich both countries and raise the scientific, technical and economic efficiency of our joint work. These include the creation of joint planning and design collectives and joint research groups, the establishment of direct ties between ministries, production collectives, and scientific and economic organizations.

We hope that in the near future these forms of cooperation will take a permanent place in the scientific, technical, and economic cooperation between Bulgaria and the USSR.

Transportation and information communications systems between Bulgaria and the Soviet Union are growing stronger and expanding. One of the largest sea passages in the world, between Varna and Ilichevsk, has been in operation for several years. There has been a significant increase in freight shipments by air and motor transport. The transportation importance of the Danube, the European river highway, has grown, especially when fresh fruits and vegetables are being shipped from Bulgaria. In 1984 alone the total volume of shipments in both directions exceeded 32 million tons.

Imports from the Soviet Union are of exceptional importance in the development and strengthening of Bulgaria's socialist economy and in deepening all-round cooperation with the USSR. These imports also fall into three basic groups:

- Complete projects and equipment;
- Machinery, structures, and spare parts;
- Raw materials and energy resources.

The supply of complete projects from the USSR has played and is still playing a key role in the industrialization and mechanization of the entire national economy of Bulgaria, even though they have not accounted for a large volume of the total Soviet exports to Bulgaria in the past few years (an average of 300 million rubles per year). It should be stressed that over 60 percent of Bulgaria's total industrial output today is produced at plants, factories, electric power stations, mines, and other projects where the equipment, technology, and special materials were supplied by the USSR. Some sectors of industry in our country, such as ferrous and nonferrous metallurgy, thermal and electric power engineering, the mining industry, and others, were created entirely with Soviet economic and technical assistance. Over 330 large

industrial projects that define Bulgaria's industrial potential today were planned, built, and put into operation with the fraternal assistance of the Soviet Union.

The largest of these include the pride of Bulgarian power engineering, the "Kozloduy" atomic power station with a total capacity of 1760 kilowatts, the "Varna" thermal and electric power station with a 1250 kilowatt capacity, the "Maritsa-Vostok" power complex, the Kremikov metallurgical combine, the petrochemical combines in Burgas and Pleven, the chemical complex in Devin, and the ferrous metallurgy combines in Srednogoriye, Plovdiv, and Kurdjali.

The "Kozloduy" atomic power station is now being expanded by the addition of two new reactors, each with a capacity of 1 million kilowatts, and two units each with a capacity of 210,000 kilowatts are being added to the "Maritsa-Vostok II" thermal and electric power plant. A chemical combine with a capacity of 450,000 tons of ammonia per year is being built in the town of Dimitrograd. These are the largest projects now under construction.

Cooperation with the Soviet Union made it possible for our country, in a short period of time, to lay a solid foundation for the basic sectors of heavy industry, and for its core, machine building. Today Bulgarian machine building meets a large part of the country's demands for various types of equipment and machinery and plays an active role in socialist economic integration by cooperating with other enterprises in this sector in other CEMA member countries.

In addition, deliveries of machinery, production lines, replacement assemblies, equipment, spare parts, and various types of construction mechanisms, agricultural, highway, and other transportation equipment, machinery and equipment for geological prospecting operations and other purposes play a key role in the development of many sectors of Bulgaria's national economy.

There is no doubt that the specialization and cooperation between Bulgaria and the USSR in machine building, the experience that has been gained in joint developments and industrial application of new products will provide a foundation for further expansion of cooperation between our countries in this important sector of the national economy.

In light of the limited natural raw materials resources and various types of fuel needed in Bulgaria's economy, imports from the USSR are especially important. For example, from the Soviet Union Bulgaria receives almost all the iron, phosphorus, and sulfur raw materials, wood pulp, lumber, cotton, natural gas, petroleum, fuel and coking coal, and other products that are not found in Bulgaria. The increasingly complicated conditions involving the extraction, selection, shipment, and storage of these basic industrial raw materials will have an effect on their final cost, but there is no doubt that economic cooperation between Bulgaria and the USSR will continue in the future to help resolve issues tied to the supply of these resources from the USSR. Some useful experience has been gained in this direction in the joint construction of a main gas pipeline between Orenburg and the western border of the USSR, the construction of the Ust-Ilimsk pulp and paper combine, development of the Kiyembayev asbestos deposit, and several other major projects in the USSR, some

of the output of which is helping to meet the demands of other CEMA member countries that participated in their construction, set-up, and initial operation.

In the next five-year plan (1986-1990), in addition to the traditional participation of Bulgarian workers in the construction of projects in the USSR, another form of cooperation will be used--the construction of several enterprises by Bulgarian organizations from start to finish. This new approach will require practical assistance from Bulgarian planning and design and construction and installation collectives that are able to resolve in a short period of time all the problems involved in erecting industrial projects, exported from Bulgaria, in the Soviet Union.

In conclusion, I would like to note that many years of experience in fraternal cooperation between Bulgaria and the USSR have shown that the creation of diverse ties among countries of socialist cooperation that are meaningful in scientific, technical, and economic respects, and ties with each of these countries, especially the powerful scientific, technical, and economic potential of the Soviet Union, are of historical importance in achieving new triumphs in the construction of socialism.

Bulgaria is a consistent and active participant in the expansion, deepening, and strengthening of the inviolable friendship and all-round cooperation with countries of socialist cooperation, especially the Soviet Union.

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9967

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## EASTERN EUROPE

### BULGARIA'S BANKING SYSTEM

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 5,  
May 85 pp 33-35

[Article by Vasil Kolarov, chairman of the Bulgarian National Bank, under the rubric "Integration in Action": "Bulgaria's Banking System in the Service of Integration"]

[Text] In September 1984 the Bulgarian people celebrated the 40th anniversary of the socialist revolution. In a short historical period Bulgaria was transformed from a backward agricultural country into a state with developed, modern industry, a powerful material and technical base, highly mechanized agriculture, and a steadily rising standard of living.

Bulgaria's economy began to experience particularly dynamic development after the historic April (1956) Plenum of the BCP [Bulgarian Communist Party] Central Committee. In the time since then the national income increased from 3.2 billion leva in 1956 to 23.5 billion leva in 1983, or by a factor of 7.5, and there has been a 13-fold increase in the past 4 decades.

Industry has become the major sector of the national economic complex. In 1983 industrial output was 84 times greater than in 1939, the best pre-war year. Industry accounts for 55.9 percent of the national income. Today Bulgaria is among the 20 most industrially developed countries in the world. Sectors such as machine building, the electrical equipment and electronics industries, power engineering, ferrous metallurgy, and chemistry, which determine the structure of industry, account for 40 percent of all industrial production.

Major gains have been made in the development of agriculture. There are 296 large agro-industrial complexes in the country now, instead of the 13 million small farming plots that had been in operation. Highly productive machinery and progressive achievements in plant breeding and agro-technology have been put into use. The national agro-industrial complex has at its disposal over 150,000 standard tractors, as opposed to 3000 in 1939, and over 17,000 combines and a large amount of other modern equipment. Gross agricultural production has increased by a factor of over 2.6 since 1939.

A vivid example of Bulgaria's agricultural achievements can be seen in the high rate of growth in the goods turnover in foreign trade. In 1983 this indicator had increased 54-fold over the 1939 level. Industrial goods account for the

bulk of Bulgaria's exports today, with machinery and equipment to be used in production making up 54.5 percent of the exports. It must be stressed that for the past few years running Bulgaria has achieved an active balance in trade with nonsocialist countries, which confirms the stable nature of our economy and its growing prospects.

The country's economic potential is growing steadily stronger, which provides the conditions for implementing a vast, long-range program in the social sphere. Currently, approximately 74 percent of the national income is spent on consumption. Annual wages have increased by a factor of 3.7 since 1952, and real income per capita has increased 5-fold. The national consumption funds are growing at an accelerated rate, and the majority of these funds are used to develop health care, social security, education, and culture.

Our country's gains in social and economic development and the creation of a stable, contemporary economy were possible due to the constant deepening and improvements in economic cooperation with CEMA member countries, and especially the policy of maximum assimilation with the Soviet Union. Speaking at the 12th BCP Congress, Todor Zhivkov, general secretary of the BCP Central Committee and chairman of the Bulgarian State Council, said: "The cornerstone of our foreign economic policy will continue to be /deepening and expansion of our participation in international socialist economic integration/ [in boldface] with CEMA member countries on a bilateral and multilateral basis, and first and foremost, all-round cooperation and assimilation between the People's Republic of Bulgaria and the Soviet Union."

As a result of this cooperation, industrial sectors that determine the structure of industry, such as machine building, ferrous and nonferrous metallurgy, and the petrochemical industry, have been created. Thanks to specialization and cooperative production within the framework of CEMA, Bulgaria has managed to concentrate its financial and material resources and intellectual potential in a number of priority directions. Thus, in the last 2-3 decades our country has become one of the world's leading producers of electric cars, motor cars, robots, machinery with numerical programmed control, computer equipment, and so on.

The determining role of integration in terms of structure at the current stage is taking on great importance and is becoming a primary factor in the intensification of national production, which under the conditions of Bulgaria's limited territory, population, and natural resources, is the only possible direction for the successful development of the national economy and for improving socialist society.

Extremely important results have been obtained in scientific and technical cooperation. On the basis of this cooperation our country played an active role in developing a number of epochal achievements in scientific and technical progress--the development of space technology, the development of atomic power engineering, laser engineering, utilization of biotechnology, and so on.

With the strengthening of the world socialist system, deepening of economic integration, and the development of the world socialist market, the foundation was laid for the integration process in currency and credit relations among

CEMA member countries and for the formation of an international socialist currency system. These relations are based on a broad foundation of agreements with the active participation of the collective currency and financial organs that have been created, as well as the International Bank for Economic Cooperation and the International Investment Bank.

The international socialist currency system and the national currency and monetary credit systems of CEMA member countries are closely connected. Some elements of the currency and monetary credit systems, such as the currency monopoly, currency planning, the rate system for national currencies, currency regulations and currency legislation, are integral parts of the international socialist currency system. For their part, national currency and monetary credit systems have an influence on the functioning and development of the international socialist currency system.

At the current stage of building a developed socialist society in our country, the banking system is playing a growing role in controlling the national economy and in carrying out international transactions. The banking system is an important link in implementing the party's policies aimed at increasing the efficiency of the economy by intensifying and deepening our country's participation in the international division of labor. Bulgaria's banking system consists of the Bulgarian National Bank, the Bulgarian Foreign Trade Bank, the Economic Initiatives Bank (the Mineral Bank), and the State Savings Bank.

The Bulgarian National Bank is the country's emission, credit, and accounting center; it is the only center involved in the organization and regulation of money circulation; it grants short-term and long-term loans, finances capital investments, and monitors the wage fund. As a functional department it takes part in the planning and regulation of the national economy. It manages other banks and controls their activities. It organizes and through the Bulgarian Foreign Trade Bank carries out the country's international transactions, it monitors fulfillment of currency and payment balances, foreign trade loans, operations involving foreign currency and precious metals, and it sets the rate of exchange between foreign currencies and the Bulgarian lev.

The banking system plays an important role in the development of international socialist credit as one of the most important instruments used in resolving national economic problems, and in the expansion and deepening of integration processes. Credit relations among socialist countries developed gradually under the influence of changing economic and political conditions. Originally they were carried out on a bilateral basis and took the form of loan assistance to help rebuild national economies that were destroyed by the war and to help fulfill plans for economic development and social transformations. With the help of loans from socialist countries, primarily the Soviet Union, a chemical combine was built in the town of Dimitrovgrad, along with the Metallurgical Plant imeni V. I. Lenin and the Metallurgical Plant imeni L. I. Brezhnev, a lead and zinc plant in Kurdzhali, the "Maritsa-Vostok" Thermal and Electric Power Station, an industrial combine in Devin, a nitrogen fertilizer plant in Stara-Zagora, a petrochemical combine in Burgas, the "Kozloduy" Atomic Power Station, and a number of other enterprises. The construction and operation of these enterprises was a precondition for progressive structural changes in the

national economy and for the gradual integration of the national economy within the framework of the unified socialist economic system.

Along with the industrialization of the country and improvements in the international socialist currency and credit system under conditions of growing internationalization of productive forces and deepening of integration ties, medium-term and long-term loans within the framework of CEMA underwent further development and were carried out by means of an adequate currency and financial mechanism.

The current stage of cooperation among socialist countries is characterized by further deepening and diversification of foreign economic ties. The banking system is playing a growing role in credit and financial relations involving the accumulation of financial resources for medium and long-term loans for international and national economic projects, in monitoring fulfillment of long-range special programs for cooperation, in coordinating sectorial and subsectorial programs aimed at fulfilling the General Plan for Specialization and Cooperative Production in the basic sectors of physical production between Bulgaria and the USSR up to 1990, and in a number of other enterprises. Primary attention here is being focused on making investments with strict adherence to principles of competitive organization of projects which meet the highest technical and economic standards and provide the greatest effect.

Cooperation with the International Investment Bank, which is growing steadily, plays an important role in the successful implementation of the investment policy. Some major projects have been built in our country using funds obtained from the International Investment Bank: a tobacco factory in Stara-Zagora, a ferromagnet plant in Pernik, a bearing plant in Sopot, a knitted goods factory in Petrich, and a ceramic tile plant in Isperrikh. New capacities have been created for producing low-voltage electrolytic condensers in Kustendil, production has been expanded at the tobacco factory in Khaskovo and the electrode plant in Ikhtiman, and a refrigerator plant in Sofia has been rebuilt. Modern new highways, such as the "Khemus," "Frakiya," and "Cherno more" are being built.

On the basis of new credit agreements signed in 1982 and 1983, four important projects of the "Balkankar" Scientific Production Association are undergoing expansion, reconstruction, and modernization: a machine building plant for the production of steering mechanisms in Lukovit, a motor car combine in Plovdiv, a battery plant in Pazardjik, and a diesel engine combine in Varna. In 1983 these enterprises provided CEMA member countries with products valued at 234 million converted rubles.

Bulgaria's participation in financing the construction of large integration projects outside our country, such as the "Soyuz" gas pipeline, the Ust-Ilimsk wood pulp plant, the Kiyembayev asbestos plant, and others, represents a higher level of cooperation with the International Investment Bank. These loans promote accelerated development of productive forces, improved production, and structural changes; they serve both our country's interests and the interests of CEMA member countries as a whole, and in the final analysis they lead to a higher standard of living.

In the area of foreign economic and currency and financial relations with CEMA member countries, the activities of the Bulgarian National Bank and the Bulgarian Foreign Trade Bank are aimed at close cooperation with the International Bank for Economic Cooperation, successful fulfillment of the Comprehensive Program, especially the plan for integration measures, and implementation of the course of all-round assimilation with the USSR. The Bulgarian National Bank and the Bulgarian Foreign Trade Bank are doing everything possible to promote prompt and uninterrupted fulfillment of transactions involving the country's trade and other financial operations and to strengthen the planning foundations for trade and payment relations with CEMA member countries. They are also actively involved in measures aimed at strengthening the functions of the converted ruble as an instrument of socialist economic integration and expanding the sphere of its application, at providing stability of the collective currency, improving the multilateral payment system, adjusting coordinated rates of exchange and coefficients for national currencies and the converted ruble, and developing methods for determining the rate of exchange between the converted ruble and convertible currencies, among other things.

On the basis of high, steady rates of growth in our foreign trade, specialization and cooperative production, transactions and credit operations in converted rubles are undergoing further dynamic development, which creates favorable conditions for expanding foreign economic relations on a multilateral basis.

The Bulgarian National Bank and the Bulgarian Foreign Trade Bank are actively promoting the development and coordination of measures to improve currency and financial methods in specialization and cooperative production, in joint erection and operation of projects, in scientific and technical cooperation, and so on.

Direct contacts and cooperation between the Bulgarian National Bank and banking institutions in socialist countries, especially Soviet banks, are expanding and they are playing a more and more important role in deepening integration processes. Guided by party decisions on comprehensive assimilation between Bulgaria and the USSR, the Bulgarian National Bank and the USSR State Bank have signed a number of agreements and have adopted programs for consistent assimilation between the banking systems of the two countries in the most important directions. The results of cooperation and the study and application of Soviet experience in banking affairs are becoming major factors in improving the activities of Bulgaria's banking system.

Carrying out the decisions of the Economic Summit Conference held in Moscow in June 1984, the Bulgarian National Bank, in close cooperation with international socialist banks and banking institutions in CEMA member countries, will continue in the future to promote improvements in currency and financial instruments, to strengthen the converted ruble, and to increase their active role in deepening and expanding socialist economic integration.

Our people, under the leadership of the BCP, are mobilizing all their creative forces to meet the goals set at the 12th BCP Congress and the National Party Conference for significant improvements in quality in all spheres of activity.

The campaign for high quality and efficiency with an open national economy and steadily expanding foreign economic ties are turning the Bulgarian National Bank and other banks in the country into important links in carrying out the country's national economic policies. Reorganization of banking activities in accordance with the party decisions will mean that the banks' tasks and functions will be on a new scale, they will be of greater economic importance, and the banks will operate not just as contractors, but as partners of economic organizations that share with them responsibility for the final results of their joint activities.

The new party directives on the role and place of banks in Bulgaria require that there be further increases in the level of banking activity and that there be closer cooperation and coordination of currency, financial and credit policies with CEMA member countries. Special emphasis was placed on this at the Economic Summit Conference in Moscow.

The decisions adopted at the conference call for a qualitatively new stage in deepening and expanding cooperation among the fraternal countries.

Fulfillment of these decisions will contribute to a fuller utilization of the advantages of the socialist system and its immense opportunities for the development of productive forces and for achieving the highest scientific and technical level in physical production. Consistent realization of these goals will lead to a further rise in the workers' standard of living, to greater economic and defensive might among CEMA member countries, and unity and solidarity in socialist cooperation.

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9967

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EASTERN EUROPE

BRIEFS

HUNGARIAN CP DELEGATION--A group of MSZMP party workers headed by (K. Radich), chief of the MSZMP Central Committee Scientific, Public Education, and Cultural Affairs Department, was in Moscow 8 through 10 July in accordance with the plan for interparty ties between the CPSU and the MSZMP. The Hungarian comrades were familiarized with the experience of the CPSU's work in implementing party leadership in the field of scientific-technical progress and the development of science and education, literature and art. They had meetings and talks at the CPSU Central Committee Science and Educational Establishments Section and Cultural Section, the USSR Academy of Sciences, and the USSR Ministry of Higher and Secondary Specialized Education. [TASS report: "Exchange of Experience"] [Text] [Moscow PRAVDA in Russian 11 Jul 85 Second Edition p 4 PM]

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**LATIN AMERICA AND CARIBBEAN**

**COOPERATION AGREEMENT WITH NICARAGUA**

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 5,  
May 85 p 78

[Agreement on Cooperation between the Council for Mutual Economic Assistance and the Republic of Nicaragua]

[Text] The Council for Mutual Economic Assistance and the Republic of Nicaragua,

Proceeding from the fact that the CEMA member countries assign great importance to further development of trade and economic, scientific and technical cooperation with developing countries with the aim of promoting their development and strengthening their national economies,

Noting with satisfaction the development of bilateral economic ties between CEMA member countries and Nicaragua,

Considering the mutual desire of CEMA member countries and the Republic of Nicaragua to develop multilateral economic, scientific, and technical cooperation based on respect for state sovereignty, independence, national interests, noninterference in internal affairs, totally equal rights and mutual benefit,

Wishing to promote the creation of conditions to develop multilateral cooperation between CEMA member countries and the Republic of Nicaragua,

Convinced that the development of such cooperation, taking into account the provisions of the Charter of States' Economic Rights and Responsibilities, will promote accelerated economic, scientific and technical progress in CEMA member countries and the Republic of Nicaragua and the achievement of goals outlined in the United Nations Charter,

Taking into consideration the provisions of the Charter of the Council for Mutual Economic Assistance, which confirm the readiness of CEMA member countries to develop economic ties with other countries,

Have agreed to the following:

#### Article 1.

1. The purpose of the present Agreement is to establish and promote the development of multilateral economic, scientific, and technical cooperation between CEMA member countries and the Republic of Nicaragua.
2. Cooperation in accordance with the present Agreement will be carried out in areas of economics, science, and technology agreed upon by the parties and will deal with issues of mutual interest to CEMA member countries and the Republic of Nicaragua.

#### Article 2.

1. In order to fulfill the purpose indicated in Article 1 of the present Agreement and to organize the cooperation called for in the present Agreement, a Joint Commission for Cooperation between the Council for Mutual Economic Assistance and the Republic of Nicaragua will be formed, hereafter to be referred to as the "Joint Commission."
2. The Joint Commission will consist of representatives of CEMA member countries and the Republic of Nicaragua to be appointed by the appropriate organs in the given countries.

#### Article 3.

1. In order to carry out its responsibilities, the Joint Commission may make recommendations to CEMA member countries and the Republic of Nicaragua on issues of economic, scientific, and technical cooperation and may make decisions involving organizational and procedural issues.
2. Recommendations and decisions are made by the Joint Commission with the consent of the CEMA member countries involved and the Republic of Nicaragua.
3. The recommendations made by the Joint Commission to the CEMA member countries involved and the Republic of Nicaragua are carried out by means of multilateral and/or bilateral agreements signed between these countries, their organs, organizations, and institutions, or according to another, agreed upon system.

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9967

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**LATIN AMERICA AND CARIBBEAN**

**TABLE OF CONTENTS: LATINSKAYA AMERIKA NO 5, May 85**

**Moscow LATINSKAYA AMERIKA in Russian No 5, May 85, pp 3-4**

**[Text] FORTY YEARS OF THE SOVIET PEOPLE'S VICTORY IN THE  
GREAT PATRIOTIC WAR**

**The Spring of Victory..... 6**

**"No-one Is Forgotten, Nothing Is Forgotten" (A "Round Table" of  
Soviet Latin-American Specialists Who Participated in the War) 18**

**I.A. Vasilkova. They Defended Leningrad ..... 54**

**A.B. Borisov. "We Shall Fight Together..." ..... 60**

**Vl. Reznichenko. "The Leningrad Symphony in Buenos Aires..... 65**

**I.K. Semenova. "You the Living Unite, in Order To Prevent  
Another Khatyn From Being Burned Anywhere on the Planet!".....67**

**TWENTY-FIVE YEARS OF SOVIET-CUBAN RELATIONS**

**S.A. Mikoyan. The Good Fortune to Participate in the Revolu-  
tion.....74**

**A Quarter of a Century of Fruitful Cooperation (An Interview with  
with the Extraordinary and Plenipotentiary Ambassadors of Cuba to  
the USSR, L. Soto, and of the USSR to Cuba, K.F. Katushev).....75**

**A.I. Sizonenko. At the Sources of Friendship.....82**

**V.V. Kleyeberg. Fraternity Is Forged in Joint Labor.....87**

**V. L. Pushkarev, S.I. Grigoryev. Peaceability in De-  
clarations, But Diktat in Politics.....90**

**V.N. Grishin. Guatemala: A Crisis of the Rightist Authoritarian  
Dictatorship and Plans of the Militarists.....105**

Ye. V. Yegorova. Problems of Mexico's Foreign Indebtedness....116

#### MEETINGS, INTERVIEWS

Strengthen Anti-Imperialist Solidarity (An Interview with the Chairman of the Nicaraguan Committee of Solidarity with the Peoples, Francisco de Asis Fernandez).....123

#### POLITICAL AND PUBLIC FIGURES

Rimma Kazakova. He Was Like That.....125

A.N. Borovkov. The Problems of the Crisis Are Discussed.....130

#### THE BOOKSHELF

I.D. Ivanov. "Latinskaya Amerika v sisteme mirovykh khozyaystvennykh svyazey" [Latin America in the System of World Economic Relations], by L.L.Klochkovskiy, Moscow, "Mezhdunarodnyye otnosheniya", 1984.....134

E. Ya. Sheynin. "Respublika Kuba" [The Republic of Cuba], M.A. Manasov, Editor-in-Chief, Moscow, "Nauka", 1984.....136

A.P. Kireyev. "Latinskaya Amerika i amerikanskiye natsional'nyye interesy: osnova dlya vneshney politiki" [Latin America and American National Interests: A Basis for Foreign Policy] by M.D. Hayes, Boulder, London, Westview Press, 1984. ....137

#### COMMENTARIES

A.A.Sosnovskiy. Brazil: The Transfer of Power.....139

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8543

CSO: 1807/366

## LATIN AMERICA AND CARIBBEAN

### REVIEW OF JOURNAL LATINSKAYA AMERIKA NO 5, 1985

Moscow APN DAILY REVIEW in English 31 May 85 pp 1-4

[Excerpt] The issue carries an article "Peaceability in Declarations and Dictat in Real Policy" by V. Pushkarev and S. Grigoryev dealing with the Reagan Administration's policy vis-a-vis the Latin American countries.

The White House Administration never gets tired of declaring the United States' willingness to support the Latin American peoples in their efforts to improve their living standards and to promote their economies. But the real deeds of the American government and of the U.S. corporations show the opposite. The United States seeks to establish the maximum possible control over the Latin American market and limits access for many export goods, produced in the area, to the U.S. market. In 1975-1982, Latin America's deficit in its trade with the USA amounted to nearly \$60,000 million.

U.S. credit and financial policy brings the Latin American countries enormous losses. In a relatively short time--from 1975 to 1983--their foreign indebtedness increased from \$75.4 to \$336 billion.

Pursuing an interventionist policy, the U.S. ruling circles have long adopted and continue to use with enviable stubbornness slanderous theses about a "communist threat" to Latin American and about an "export of revolution" alledgedly being made by the USSR and Cuba.

An "export of revolution," the authors stress, exists only in Reagan's speeches and those by senior members of his administration, whereas in real life there takes place and constantly threatens Latin American peoples seeking to choose their own road the "export of counterrevolution," which on an increasing scale and in the most diverse forms is being conducted by U.S. imperialism.

An arena of broad application of Washington's power politics is presently Central America, which serves as the main source of political instability and sharp tension in this area of the world. Washington's undeclared war against Nicaragua is the gravest danger; that country has become the chief target of Reagan's adventurist military policy in Central America. Year after year the USA has been fanning tension on Nicaragua's borders, building up its military presence and ever more unscrupulously flouting the rules of international law, under cover of hypocritical assurances about "subversive communist activities in Central America."

"Guatemala: A Crisis of the Right-Wing Authoritarian Dictatorship and the Plans of the Military" is the subject of an article by V. Grishin. The USA and Mejia's government, he writes, have started--with Israel's participation--expediting the plans for creating an arms manufacturing industry there under the strategy of counter-insurgency in Central America.

This attempt is leading to an expanded reproduction of antagonisms tearing the country apart. The agrarian question remains unsolved. In level of land property concentration Guatemala holds first place in Central America. There are 482 latifundias, each over 900 hectares, in the country. They account for 1.7 percent of the farms, but at the same time for 21.6 percent of all cultivated land. A further fragmentation and dwindling of peasant allotments is taking place.

The tough counterrevolutionary policy and inability of the regime to solve the economic problems, stresses Grishin, lead to the fact that since 1954 terror has been the chief "answer" to issues, the principal tool of state policy and an indispensable condition of existence for the dictatorship. The social price of the country's militarization is 105,000 dead and about 40,000 persons who have "disappeared." Under such conditions, political and social conflicts inevitably take on the form of a military-political confrontation.

The issue also carries six articles dedicated to the 40th anniversary of the Soviet people's victory in the Great Patriotic War, A. Sizonenko's article "At the Sources of Friendship" (on Soviet-Cuban relations), an article by Ye. Yegorova, "Problems of Mexico's Foreign Indebtedness," and a number of other materials.

8543

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## LATIN AMERICA AND CARIBBEAN

### A QUARTER CENTURY OF FRUITFUL COOPERATION

Moscow APN DAILY REVIEW in English, [date unavailable], pp 1-6

[Excerpts] In connection with the 25th anniversary of the restoration of diplomatic relations between the Soviet Union and the Republic of Cuba, which is being extensively marked in both countries, the editorial board has approached Lionel Soto, member of the Secretariat of the CPC (Communist Party of Cuba) Central Committee and ambassador extraordinary and plenipotentiary of the Republic of Cuba to the USSR, with a request to speak of the history and current development of our bilateral cooperation and about its prospects.

A similar request has been made by the magazine's correspondent in Havana, V.M. Lunin, to K.F. Katushev, member of the CPSU Central Committee and ambassador extraordinary and plenipotentiary of the USSR to the Republic of Cuba.

LIONEL SOTO: Over the past quarter-century Soviet-Cuban cooperation has been growing broader and stronger.

This cooperation rests on the ideological foundation of Marxism-Leninism. We are closely united by our common theory, ideals and goals, the struggle for which is the very meaning of our people's life and of the efforts by our states and communist parties.

Today Cuba is at the stage of building a material and technical foundation of socialism.

One could write several volumes about the fraternal and disinterested Soviet aid from the moment when the fate of our victorious revolution was being decided to the present day, when we are coordinating our economic plans for the 1986-1990 development period.

Today, 25 years after the establishment of trade relations between our countries, the USSR accounts for 70 per cent of Cuba's aggregate trade turnover, while Cuba accounts for over 5 percent of the USSR's external trade. Cuba holds the seventh place among

the USSR's trading partners. It is expected that in 1985 our mutual trade will total 8 billion rubles. Our relations with the USSR, coordinated until the year 2000, are an example of mutually beneficial trade between a major industrialized power and a small developing nation. This can be best illustrated with the firm prices on sugar, nickel and other Cuban export commodities and on Soviet imports.

In conditions of the economic crisis of capitalism, which primarily affects the developing countries, Soviet-Cuban trade and Soviet development credits guarantee economic stability for Cuba and ensure a steady growth of its economy and reliable and expanding sales markets for Cuba's traditional and new commodities whose number is rapidly growing in the course of the country's intensive industrialization.

About 80 percent of the industrial projects under construction in Cuba are being built with Soviet assistance. This assistance is given to us in a various sectors of the national economy. One could mention, in particular, the sugar industry, geological prospecting, oil and gas production, power engineering, including the construction of both thermal power stations and of the Jurgua nuclear plant (the country's first), ferrous and non-ferrous metallurgy, construction and farm machinery production, agro-chemistry, textile industry, etc. There is practically no branch of production in which we are not cooperating with the USSR.

The Soviet Union has rendered priceless aid to Cuba in the scientific, technical and cultural fields and has given us crucial assistance in national personnel training both in Cuba and at Soviet educational institutions. Suffice it to say that thousands of Cubans have undergone training and education in the USSR. At the moment, some 8,000 Cuban students are learning various but mostly scientific and technical specialities and trades in 52 Soviet cities. Thousands of Soviet scientists and experts have rendered and keep rendering vital assistance to our development here in Cuba.

Since 1972 Cuba has been a full-fledged and active member of the Council for Economic Mutual Assistance. In June 1984 there was a CEMA economic summit in Moscow, which passed strategic decisions highly important for the socialist community at large and for such less developed member-states as Cuba, Vietnam and Mongolia in particular. As was noted at the summit, one of the principal goals of CEMA for the next 15-20 years is accelerated adjustment of the levels of economic development of these countries to the level of the European CEMA members.

K.F. KATUSHEV: The restoration of diplomatic relations between the USSR and the Republic of Cuba on May 8, 1960 came as a milestone event in the history of our peoples. It opened broad

prospects for the development of our fraternal friendship and all-around cooperation on the basis of the principles of socialist internationalism.

Many accomplishments of the Cuban people are closely associated with their cooperation with the Soviet Union. One of the major results of this cooperation is the steady growth of Cuba's economic potential which effectively provides the country not only with foodstuffs but with many types of manufactured goods as well. There are new branches of production in Cuba today which were practically non-existent before: steel production, agricultural machine building, the electronics industry, and so on. The new production works and shops fully meet Cuba's annual demand for rolled iron and steel, cane harvesters, TV sets and transistor radios, 95 percent of its steel demand, 80 percent of the demand for nitric fertilizers, 60 percent of the demand for metal construction elements and about half of the country's electric power demand. Within the framework of our cooperation new thermal power units with an aggregate capacity of more than a million kilowatts have gone on stream and the construction of a huge new 1.3-million kilowatt power plant has started near Havana. One of the major long-term projects is the Juragua plant, Cuba's first atomic power station, whose first stage will have a capacity of 850 megawatts; it is under construction in the Cienfuegos province.

Soviet assistance has led to the discovery of oil in Cuba; its commercial production is going up and will reach the level of 2 million tons per annum within the next five years. This will help substantially reduce the country's import of liquid fuels. In non-ferrous metallurgy the Soviet Union renders technical assistance to Cuba in modernizing its nickel plants. The construction of the country's largest nickel plant at Punta Gorda with a rated capacity of 30,000 tons a year is already near completion. Another plant of the same capacity is under construction at Las Camariocas within the framework of multilateral cooperation among CEMA members.

In light industry the textile mill in Santiago de Cuba alone, which was built with Soviet assistance and which is unmatched in the whole of Latin America, can turn out almost four-fifths of what was produced in the whole country before the revolution. There have been major changes in the sugar industry, too, whose products account for up to 80 percent of Cuba's export earnings. The modernization of sugar mills has secured a 20 percent increase in the aggregate capacity of the cane-processing equipment.

One should also note the joint efforts of the two countries in space exploration. As long ago as 1975 a ground communication station linking up with Soviet satellites was put into operation in Cuba. The station is staffed with experienced Cuban spe-

cialists. One of the major events in this field was the space flight by a Cuban citizen, the first representative of Latin America, on board a Soviet spaceship.

The growth of Cuba's economic potential is accompanied by radical changes in the structure of the country's working population, including the rapid growth of the scientific and technical intelligentsia and of the working class. Some 375,000 technicians and skilled workers have been trained in Cuba with the assistance of Soviet instructors, while another nearly 18,000 Cuban specialists and workers have undergone training and received advanced education at Soviet industrial works and higher and specialized secondary schools.

From the very first years following the establishment of Soviet-Cuban relations one of the mighty factors in the growing closeness of our countries was our mutually beneficial trade. The relevant agreements guarantee Cuba reliable sales for its goods on the large Soviet market at favorable prices and, at the same time, the import of goods and products essential for the republic from our country. As long ago as 1961 the Soviet Union became Cuba's main trading partner. Soviet-Cuban trade has grown from 160 million rubles in 1960 to 7.7 billion rubles in 1984 (according to preliminary estimates). Over these years Cuba has received from the Soviet Union 180 million tons of oil and oil products, 11 million tons of iron and steel, 16 million tons of fertilizers, 122,000 tractors, 86,000 trucks, 78,000 cars, 606,000 refrigerators, 2.3 million radios, and 1.6 million TV sets.

For its own part, the Soviet Union largely relies on the deliveries of Cuban raw sugar, nickel-cobalt concentrate, citrus fruits, tobacco and other commodities. In particular, about a third of all sugar consumed in the USSR comes from Cuba. Cuba has supplied to our country 62 million tons of raw sugar, 140,000 tons of nickel and cobalt concentrate and 760,000 tons of citrus fruits.

Trade between the USSR and Cuba has been growing generally faster than the trade turnover of either country. This has sent up the share of both countries in each other's foreign trade. In particular, in the period between 1973 and 1984 the USSR's share in Cuba's foreign trade went up from 49 to 70 percent, while Cuba's share of Soviet foreign trade increased from 3.5 to 5.5 percent. The USSR has been and remains the principal trading partner for Cuba.

Our relations have received fresh impetus with the adoption of the program for the development of economic, scientific and technical cooperation between the USSR and Cuba for the period up to the year 2000.

In its relations with Cuba the Soviet Union is guided by one of the fundamental principles of socialist integration--alignment of the development levels of the fraternal states--and it helps Cuba in building an independent and advanced economy. The disinterested character of our relations can be illustrated with the fact that in 1972 the two countries signed an agreement on deferring the payment of Cuba's external debt to the Soviet Union, under which the republic will begin to repay that debt over a period of 25 years, beginning in 1986, without interest. This is a graphic example of how a developed country can resolve the problem of developing countries' foreign debt.

An objective appraisal of the achievements of the Cuban people and the ever expanding cooperation between our two countries lead to a conclusion about the fruitfulness of socialist integration and about its important role in the build-up of the economic might of the countries involved in this process.

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## LATIN AMERICA AND CARIBBEAN

### AIMS OF NICARAGUA'S SOLIDARITY COMMITTEE EXPLAINED

Moscow LATINSKAYA AMERIKA in Russian No 5, May 85 pp 123-124

[Interview with Francisco de Asis Fernandez, chairman of the Nicaraguan Committee of Solidarity with Peoples, interviewer, date and place unspecified: "To Strengthen Anti-imperialist Solidarity"]

[Text] [Question] What is the mission of the organization which you lead?

[Answer] The Nicaraguan Committee of Solidarity with Peoples was established immediately after the victory of the revolution. Its chief task is to organize the participation of the broad strata of the Nicaraguan community into movements of international solidarity with the struggle of peoples against imperialism. It is no accident that Augusto Cesar Sandino said that the most terrible thing is to fight alone. Our committee supports ties with similar organizations in various countries of the world, including Latin America. It gives support to revolutionaries, who have been forced to leave their homelands. As you know, Nicaragua now has thousands of refugees from El Salvador, Guatemala and other Central American states, whom we are doing our best to help. The committee has established multi-faceted contacts with the international brigades which are supporting Nicaragua in the resolution of tasks related to the country's economic and cultural development.

The committee participates in the work of various international forums of solidarity and is an active champion of the ideals of peace on Earth.

[Question] In your opinion what is the significance of the 4 November 1984 elections?

[Answer] On 19 July 1979 the people of Nicaragua voted for the first time for a new life with weapons in their hands, having thrown Somoza, his stooges and protectors out of our homeland. However, the elections of November 4th can be considered the

second "stage" in the free expression of the will of the people. The fact that more than 80 percent of Nicaraguans--the overwhelming majority of the country's population--went to the ballot boxes is of great significance. The results of the voting provided eloquent testimony of the people's support for the course of the revolution.

[Question] Several political parties which were previously part of the Patriotic Front of Revolution participated in the election.

[Answer] The Front ceased to exist when preparations for the election began. This made it possible for each of the seven parties which took part in the Front to come forward with its own program. All these political organizations are united in their desire to defend the gains of the revolution and to rebuff any manifestations of interventionism. The existence of these parties reflects the principle of political pluralism, declared by Sandino himself, who was the first to propose the establishment of a broad front of struggle against foreign intervention.

The Sandinista Front of National Liberation (SFNO) was and is the moving force of our revolution. The SFNO is becoming a political party. We are striving to work out a revolutionary program, which is based on the real conditions of our country, and which takes into account its opportunities and needs arising from Nicaragua's historical traditions.

It is no accident that Carlos Fonseca Amador, one of the most educated people in Nicaragua, chose the exact name for our movement--Sandinism. This word expresses the aspiration for democracy, pride in one's homeland and an irreconcilable struggle against any infringements upon the freedom, independence and honor of our homeland. And we would rather die in the struggle for our goals than give them up. Our country would sooner become a cemetery extending for 148,000 square kilometers than give in to the imperious pressure of our powerful northern neighbor.

[Question] Is the celebration of the 40th anniversary of the victory over fascist Germany one of the measures being conducted by the committee?

[Answer] As in many other countries, we in Nicaragua will mark this worldwide historic date on a broad scale. A special Honorary Committee, headed by Commandante Olga Avilez, who is a member of the Sandinista Assembly and chairperson of the Nicaragua Committee for the Defense of Peace, has been formed to prepare for the anniversary. It includes well-known figures in our country. From February through May of this year all the mass organizations will participate in a large variety of political and cultural events dedicated to the heroic feat of the Soviet people during the Great Patriotic War.

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LATIN AMERICA AND CARIBBEAN

CONGRESS OF LATIN AMERICAN ECONOMISTS STUDIES REGIONAL ISSUES

Moscow LATINSKAYA AMERIKA in Russian No 5, May 85 pp 130-133

[Article by A.N. Borovkov, Mexico City: "The Problems of Crisis are Discussed"]

[Text] Our correspondent, A.N. Borovkov, candidate of historical sciences, has started work in Mexico. We offer for our readers' attention the material he has sent on the work of the 2nd Congress of Latin American and Caribbean Economists, which was held in Mexico City from 29 October through 1 November 1984.

About 100 scholars from 22 countries of the region and representatives from eight regional and international organizations gathered in the Mexican capital to discuss the acute problems which are being experienced by the continent and to outline ways to resolve them.

Participating in the Congress were such well-known economists as D. Masa Savala and E. Silva Michelen (Venezuela), P. Vuskovich (Chile), T. dos Santos (Brazil), J. Gorostiaga (Nicaragua), L. Leon and O. Martinez (Cuba), R. Davila Gomez, the president of Mexico's National College of Economists, E. Iglesias, executive secretary of ECLA (Economic Commission for Latin America) and G. Fernandez, Bolivia's minister of foreign affairs. Scholars from the USA, England and Spain also presented reports.

When he opened the congress sessions, Mexican President M. de la Madrid Hurtado noted that the present crisis is unprecedented in scale and severity. It has left an imprint on nearly all the continent's countries; for this reason the question of how to overcome the consequences of the crisis is a shared concern. The president also emphasized that the current worsening of the crisis is evidence of the non-viability of the neo-liberal concept of development toward which some Latin American countries have oriented themselves after receiving instructions from the

West. "The crisis of economic structures," stated M. de la Madrid, "is accompanied by a crisis of economic thought at the present time." In this connection he called on scholars to concentrate their efforts on the search for ways to resolve the problems which would not depend on the will of the imperialist powers. The president noted: "We... do not think that the resolution of the crisis should come from outside."<sup>2</sup>

The Mexican head of state called on the region's countries to cooperate more closely, to increase the struggle for the NIEO (new international economic order). With regard to the tasks and prospects for Latin American integration, he stated: "The moment has come when it is essential to express the will of our governments more concretely and to convert Latin American cooperation into an effective instrument of progress, into a connecting link among nations and a deciding factor in the re-organization of the world economic system."<sup>3</sup>

In their analyses of the present-day economic situation in the region's countries, the speakers (the work took place in 10 sections) outlined a number of features which are characteristic of the crisis and they revealed the external and internal causes of the situation which has been created. The first category includes the instability of world prices for petroleum and Latin America's traditional export goods, the fluctuation in the rate of the dollar, sharp rises in the interest rates charged for credit, as well as the increasing protectionism of the imperialist powers. Many of the congress participants noted that the crisis in the continent's countries is closely linked with the economic crisis which engulfed the capitalist world in the early 80's. The second category results from the intensification and exacerbation of the contradictions in the entire structure of dependent capitalist development. In this regard, the pressing need for the implementation of profound socio-economic changes was emphasized.

An anti-imperialist trend was a distinctive feature of the congress; nearly all of the presentations directly or indirectly discussed the policy of the imperialist powers, which are striving to shift the burden of the crisis onto the shoulders of the Latin Americans. In particular, it was pointed out that there is a direct link between the militarist policy of the Reagan administration and the rising interest rates for credit--one of the main reasons for the economic and financial difficulties, which are being experienced by the region's countries. O. Caputo, a Chilean economist who is an instructor at the National Autonomous University of Mexico noted that from 1982 through 1983 the outflow of capital from Latin America, mainly to the USA, amounted to \$50 billion. The speaker emphasized that this enormous sum is being used by Reagan to finance the budget deficit.<sup>4</sup> A similar viewpoint was expressed by the Mexican ambassador to Venezuela,

J. Puente Leiva, who stated that the governments on the continent were being turned into exporters of capital and thus into the source of subsidies for the U.S. state budget.<sup>5</sup> In his opinion, all the convulsions in the Western currency system began when the United States imposed the dollar as the international accounting unit, having virtually freed it from its gold backing. The congress memorandum emphasizes that the dollar system has played a negative role in the economies of all the developing countries, including the Latin American ones. Only the USA, by constantly manipulating the rate of its currency, has an opportunity to gain any benefits.

The congress participants came out in favor of establishing a "ceiling" on interest rates, of introducing the principle--for a number of countries--of the most favored nation at talks about settling foreign debt, of having the developed capitalist states adopt measures which guarantee firm imports of goods from the Latin American countries in order to provide them with opportunities to pay off at least some of their foreign indebtedness and of creating an independent regional organ to finance plans for economic development.

Using the example of Mexico, Colombia, Chile, Peru and a number of Central American and Caribbean countries, the negative consequences of the "stabilization" policy imposed by the International Monetary Fund were examined: the growth of unemployment, a reduction in wages, a decline in the living standard of the working people, the displacement of surplus manpower into unproductive spheres, etc. For example, the former president of Mexico's National College of Economists, D. Colmenarez Paramo, pointed out that according to official data, 12.6 percent of the active population of Mexico was unemployed in 1983 (i.e., 2.8 million people, or one million more than in 1982).<sup>6</sup> The Mexican economist especially emphasized that the stabilization programs imposed on the region "in addition to defending the interests of the major international banks are aimed at denationalizing strategically important sectors of industry in the developing countries."<sup>7</sup>

The activities of the multinational corporations in the region were subjected to sharp criticism. D. Colmenarez Paramo stated that in Mexico a majority of the foreign companies were founded through the acquisition of national enterprises and that 61 percent of the direct capital investments of foreign companies were financed through local credit resources; the multinationals are responsible for 60 percent of the country's trade deficit.<sup>8</sup>

Certain aspects of the policy of import-replacing industrialization were subjected to criticism at the congress. In particular, it was noted that while this policy was being implemented there was a shift toward the production of expensive consumer goods at

the expense of the production of primary necessities. The crisis has increased the monolithic tendencies in the economy and led to an even greater concentration of income in the hands of narrow social groups.

The speakers directed particular attention to the state of affairs in key sectors of the economy--energy and agriculture--as well as in foreign trade. In the opinion of congress participants, the continual reduction in currency revenues from the sale of sugar, which is the main Latin American export item after petroleum and coffee (in terms of value), results not only from the relative overproduction of this product but also from the lack of coordinated action by the exporting countries in the area of production and price setting. The shortage of financial resources, especially foreign currency, has led to the freezing of many plans in the energy area, which has had a negative influence on the industrial development of the region's countries. Petroleum continues to account for a large proportion of the fuel balance.

As for agricultural production, the development of this sector is far from meeting regional needs, despite some increases in recent years. The Latin American countries have switched from being exporters to importers of certain agricultural products.

In their analyses of the foreign trade situation, the congress participants noted that in addition to the inability to compete, which characterizes many Latin American goods, the trade protectionism of the imperialist powers, and especially the USA, as well as its discriminatory policy in regard to the developing countries constitute a serious obstacle to development. In this regard R. Davila Gomez, president of Mexico's National College of Economists, noted that the developed countries of the West are exerting every possible pressure on Latin America, demanding that it to shift to free trade at a time when their internal markets are blocked off by unprecedentedly high protectionist barriers.<sup>9</sup>

The congress devoted significant attention to questions of regional economic integration. It was noted that the current crisis is seriously hindering the development of this process, although it may become an important factor in overcoming the consequences of the crisis, and it may provide an impulse for development. In this regard emphasis was given to the need for further expansion of regional economic and trade cooperation through the conclusion of multilateral agreements concerning the production of certain goods, and encouragement for the practices of compensatory exchanges and clearing accounting. The significance of the state sector in regional cooperation was noted, as was the development of a unified policy for behavior at international forums regarding questions of settling foreign debt.

Bolivia's minister of foreign affairs, G. Fernandez, who spoke at the congress, noted that the creditor nations are insisting on bilateral talks on the repayment of the foreign debt in order to impose their rules of play and "to encourage" those who "behave better." The minister emphasized that under these conditions the unity of Latin America is an important factor in the resolution of the problem.<sup>10</sup>

The congress participants decisively favored strengthening the role of the state in all areas of economic and social life, redistributing incomes in favor of those strata which have little, implementing agrarian transformations, re-examining financial policy with the aim of stemming the flow of capital abroad and developing an effective system of customs advantages and preferential duties for Latin American goods.

The declaration of the Association of Latin American and Caribbean Economists emphasizes that the resolution of the tasks facing the region must be carried out on the basis of a new long-range development strategy, oriented toward the effective utilization of domestic resources and toward the strengthening of cooperation in all areas. Regional and subregional integration, the document notes, "must respond to the national interests of the Latin American and Caribbean countries, and not to the interests of the multinational corporations."<sup>11</sup> It also points to the need to eliminate social injustice, to take immediate measures to increase employment of the population, to improve health care and education and to develop massive housing construction.

The congress participants stated that overcoming the crisis is a matter first of all for the Latin American countries themselves. As for the problem of foreign debt, both the debtors and creditors must take part in its resolution.

The declaration devoted particular attention to the problems of Central America. It emphasized the need to preserve peace and to prevent foreign intervention in this subregion; it expresses support for the efforts of the "Contadora group." "Peace," the document points out, "is a necessary condition for development."<sup>12</sup>

The 2d Congress of Latin American and Caribbean Economists was a major event in the socio-political life of the region. Its content had a clearly-expressed anti-imperialist nature; in a majority of the presentations and in the summary documents direct criticism was aimed at the USA and other developed Western states, as well as at the multinational corporations and the International Monetary Fund, as the main instigators of the difficulties being experienced by the continent's peoples. A detailed analysis of the region's current problems was provided at the congress, and a number of important conclusions were formulated which will help the Latin American countries to choose the

optimal way out of the crisis and to resolve the urgent problems of socio-economic development.

The congress ratified the new executive committee of the Association of Latin American and Caribbean Economists. The Mexican economist R. Davila Gomez was elected chairman, and representatives from Cuba and Colombia became the first and second deputy chairmen respectively.

It was decided that the next congress--the third--will be held in Havana in November 1987.

#### FOOTNOTES

1. EL MERCADO DE VALORES, Mexico, No 45, 1985, p 1107.
2. Ibid., p 1106.
3. Ibid., p 1107.
4. EXCELSIOR, Mexico, 31 Oct 1984.
5. EL DIA, Mexico, 1 Nov 1984.
6. EL DIA, 1 Nov 1984.
7. Ibidem.
8. Ibidem.
9. EXCELSIOR, 30 Oct 1984.
10. Ibidem.
11. EXCELSIOR, 6 Nov 1984.
12. Ibidem.

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8543

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## LATIN AMERICA AND CARIBBEAN

### BOOK ON LATIN AMERICA'S POSITION IN WORLD ECONOMIC SYSTEM

Moscow LATINSKAYA AMERIKA in Russian No 5, May 85 pp 134-136

[Review by I.D. Ivanov of book "Latinskaya Amerika v Sisteme Mirovykh Khozyaystvennykh svyazey" [Latin America in the System of World Economic Relations] by L.L. Klochkovskiy, Moscow, "Mezhdunarodnyye otnosheniya", 1984, 279 pages]

[Text] In recent years Soviet researchers have devoted increasing attention to the study of the profound changes in the system of world economic relations which have resulted from the struggle of the developing countries for economic decolonization and for the re-organization of international economic relations on a just basis. The dynamic and ambiguous nature of those processes which are occurring make a Marxist-Leninist evaluation of them particularly timely. And the monograph under review makes its contribution to the development of this subject matter. It provides an analysis of Latin America's position in the system of international economic relations, reveals the essence of the region's basic economic conflicts within the framework of the world capitalist system and shows the nature and main directions in the Latin American countries' struggle for economic independence.

It is well known that the post-war period has been marked by a noticeable acceleration in the development of capitalism in Latin America, by the growth of its economic potential and by substantial changes in the structure of the economy. The work shows that this has been the basis on which certain changes have also taken place in the region's position within the system of the international capitalist division of labor. "While maintaining its role as a supplier of raw materials and food in the division of labor with the developed capitalist countries," L.L. Klochkovskiy emphasizes, "the economy of the Latin American countries has acquired certain important new features: self-sufficiency in many light-industry products and partial satisfaction of internal demand for particular types of production equipment of low and medium-level complexity. Undoubtedly this has been a step forward in the departure from the exclusively agrarian-raw materials specialization" (p 23).

The Latin American countries have always viewed international economic relations as one of the most important spheres in the struggle to strengthen political independence and gain economic independence. Along with the liberated countries of Asia and Africa, they have tried to turn these relations into an instrument for the acceleration of economic progress. The work under review shows that this struggle has yielded certain fruits. The positions of the state sector in the sphere of foreign economic relations have been strengthened, and a tendency toward diversification of foreign trade in terms of its geography and range of products can be seen.

At the same time the post-war development of Latin America has been profoundly contradictory in nature. Despite the partial changes in the position of the Latin American countries within the system of the international division of labor, international monopoly capital has been able to preserve in significant measure its positions on the continent and in certain sectors to expand them. Direct foreign investment (even after the nationalization of foreign property, which has been significant in scope) has continued to grow. According to the author's estimates, it increased 4.5-fold in the 70's and exceeded \$78 billion at the start of the current decade (p 41). The sales volume for local branches of the multinational corporations reached approximately \$180-200 billion or two/fifths of the VVP (gross domestic product) of the region (p 73). Moreover, as this work shows, the present-day investment tactics of the monopolies (the utilization of mixed companies and new forms of organizational, production-technical, credit and other forms of dependence) have sometimes preserved their control over local economic activity. The multinationals have been able to obtain definite gains from regional economic integration as well (p 63).

The book provides a detailed analysis of all the new forms of imperialist expansion, especially the credit policy of the major private banks, which has resulted in the uneven growth of the Latin American countries' foreign indebtedness; the policy of technological neocolonialism; as well as the multinationals' policy of turning local enterprises into specialized "shops" dependent on the global production structure of the multinational corporations. On this basis international monopoly capital still has opportunities to exploit Latin America, and the author shows the scale of that exploitation. According to the calculations cited in the book, in the early 80's the profits of foreign investors increased 12-fold in comparison with the first half of the 60's. The income of foreign bankers grew even more sharply (p 82). Moreover, the multinationals have actively used hidden methods of exploitation, which bring in additional income. In particular, the work cites numerous instances in which operations have been carried out with "transfer prices," which make it

possible to implement an illegal transfer of profits from the branches to the mother companies.

In analyzing the consequences of the multinationals' activity in Latin America, the author by no means absolutizes the region's economic dependence on imperialism. The monograph reveals its evolution and shows that the system of dependence which is being developed now does not exclude the possibility of economic growth for individual Latin American countries or the development of state-monopoly tendencies.

At the same time the monograph points out that the willingness of the imperialist powers and their monopolies to make partial compromises does not eliminate the profound conflict between the economic interests of imperialism and the Latin American states. This is manifested with particular clarity in the sphere of foreign economic relations (foreign trade, the exportation of capital in the form of direct investments, scientific-technical and credit-financial relations), and it serves as the objective basis for the movement of the Latin American countries for the re-organization of international economic relations and for the implementation of the program of the new international economic order (NIEO). The author examines the basic forces of this movement, as well as its main directions and results. In particular he emphasizes the significance of strengthening and developing all forms of economic cooperation between the Latin American countries and the socialist alliance. "The gradual inclusion of the Latin American countries in the sphere of economic relations with the socialist alliance," the work says, "contributes to the strengthening of their world positions. This signifies the end of economic isolation from the world of socialism, in which state the Latin American continent found itself. It means the weakening of the unilateral orientation toward the developed capitalist countries, which has been characteristic of the foreign economic relations of the Latin American states, and it leads to a reduction in the economic dependence on imperialism" (p 256).

L.L. Klochkovskiy shows the complex nature of the struggle for the new international economic order. The ruling circles in a number of Latin American countries see their basic aims as firstly to ensure for themselves more favorable conditions of cooperation with the developed capitalist states and secondly to distract the broad popular masses away from the struggle against local exploiters by playing on their anti-imperialism. For this reason the region's ruling classes are trying to limit the struggle against imperialism, preferably to the sphere of international economic relations, to reduce the matter to a certain transformation of the positions of international capital, to a certain re-organization of the international division of

labor, and to partial quantitative and structural changes in industrial production and foreign trade.

Given the breadth and the many levels of the subject, it goes without saying that not all questions have received sufficiently complete treatment. For example, the influence of monetary practice on the development of the region's economy and foreign economic relations deserves more thorough analysis. The transition which many Latin American countries made in the 70's to the model of a so-called open economy contributed to the appearance of new forms of economic dependence and to a significant extent "paved the way" for the unprecedented economic crisis, which struck the continent in the early 80's. It is extremely important to have the mechanism of this model exposed and its negative influence on the sphere of foreign economic relations displayed.

In passing judgment on this monograph, one can state that it represents a serious step forward on the road to intensified research into the most urgent economic problems of present-day Latin America and that it makes a weighty contribution to the development of Soviet Latin American studies.

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8543

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## LATIN AMERICA AND CARIBBEAN

### COLLECTIVE WORK ON SOCIALIST CONSTRUCTION IN CUBA REVIEWED

Moscow LATINSKAYA AMERIKA in Russian No 5, May 85 pp 136-137

[Review by E.Ya. Sheynin of book "Respublika Kuba" [Republic of Cuba], M.A. Manasov, editor-in-chief, Moscow, "Nauka", 1984, 336 pages.

[Text] The work under review, which was prepared by an authors' collective from the USSR Academy of Sciences' Institute of the Economy of the World Socialist System takes a comprehensive approach in analyzing the experience of socialist construction in Cuba, with all its successes and difficulties. The book shows that even today Cuba must solve problems which are far from easy. Building a new society involves looking for ways and methods which are adequate to the conditions of a specific country, while taking into account the experience of other socialist countries. The book devotes particular attention to these problems. When Cuba began the work of creating the material-technical basis for socialism, it faced limited material and financial resources, an acute shortage of skilled personnel, natural difficulties in breaking old and forming new production relations and a need to strengthen the country's defense capability in the face of the constant threat of U.S. intervention (p 116).

Despite these difficulties, there have been significant successes in economic development, the achievement of industrialization targets, the elimination of structural imbalances, the diversification of agricultural production, the expansion of the range of exports, the replacement of some imports with domestically produced items and the improvement of the people's living standard.

Cuba's achievements in the resolution of acute social problems have been inspiring and impressive. The highest level of literacy in Latin America has been achieved here under socialism. Cuba has one of the region's highest figures for per capita food consumption. The only health care system of its type on the Latin American continent has been developed on the Island of Freedom, and it has achieved significant successes.

The authors correctly note that the investment policy, which has been carried out in recent years and which is oriented toward "the development of a number of production units which are helping to raise the level of the economy's internal integration by establishing units which are lacking, by relieving a number of sector imbalances and by setting up new and strengthening existing inter- and intra-sector production links," contributes in no small degree to stability in the process of Cuba's economic and social development (p 119).

The work which Cuba is carrying out to improve the economic mechanism and the methods of economic management is also an important factor in economic growth. The monograph shows the basic stages in the formation of a system for the management and planning of the economy which takes into account the effect of the objective economic laws of socialism. Unfortunately, this chapter of the book is somewhat sketchy, in our view; we would have liked a more detailed analysis of the process.

Cuba's current achievements in the resolution of many social development problems have been the result not only of unparalleled heroism, self-sacrificing labor and a high level of political consciousness on the part of the working people but also a result of the comprehensive support of the socialist alliance countries, especially the Soviet Union. In their analysis of the developmental dynamics of Soviet-Cuban economic and scientific-technical cooperation, the authors come to the conclusion that this cooperation "is an important factor in the forward movement of the Cuban economy and ensures that the foundations for the material-technical base of socialism are being established in Cuba and that their development is being guaranteed" (pp 207-208).

Joining CEMA opened up new opportunities for the development of the country's economy. It marked the beginning (as the book shows in detail) of a qualitatively new stage in Cuba's economic and scientific-technical relations with the CEMA countries. Cuba's participation in the activities of this organization contributes to the "improvement and expansion of its multi-lateral relations and to the comprehensive development of the country's economy with consideration for the requirements of the socialist alliance as a whole" (p 226). The book cites and provides evidence of the specific trends in Cuba's participation in socialist economic integration, as well as trends in the specialization of its economy with the international socialist division of labor.

Cuba's prestige in the world arena is generally recognized, as is its foreign policy, which is aimed at creating favorable international conditions for building socialism and ensuring universal peace. The authors emphasize that the following factors contribute to the international prestige of socialist Cuba: the de-

velopment and intensification of its multilateral relations with the USSR and the other socialist countries; its active participation in the struggle against imperialism, colonialism and neo-colonialism; its contribution to the strengthening of unity among the anti-imperialist forces; its history of granting the maximum possible assistance to the non-aligned movement and the struggle for unity within it, and its extension of multi-faceted aid to the developing states (p 249). All these aspects are treated to one degree or another in this study, although, in our view, Cuba's political relations with the Latin American countries could have been given greater emphasis.

I would like to call attention to the fact that bourgeois ideologues and anticomunists of all stripes are trying in every way possible to belittle the achievements of socialist Cuba; they resort to blatant falsifications of present-day Cuban reality. This book makes a weighty contribution to proving that these claims are unfounded.

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## LATIN AMERICA AND THE CARIBBEAN

### POLITICAL, ECONOMIC PRECURSORS OF BRAZIL'S PRESIDENTIAL VOTE

Moscow LATINSKAYA AMERIKA in Russian No 5, May 85 pp 139-144

[Article by A.A. Sosnovskiy: "Brazil: the Transfer of Power]

[Text] In March 1985 Tancredo de Almeida Neves was supposed to assume the presidency of Brazil; he was a 74-year old politician who occupied a whole series of government posts in past years. He was a minister of justice in the Vargas government (1950-1954), director of the Bank of Brazil during the presidency of J. Cubichek, and prime minister in the government of President J. Goulart, who was overthrown in 1964. The inauguration of T. Neves was postponed due to his illness.

T. Neves was one of the main leaders of the opposition. After a number of political parties were legalized in Brazil, he headed the centrist People's Party (PP), which merged in 1982 with the the Brazilian Democratic Movement Party (PMDB), and he was governor of the state of Minas Gerais.

In the elections held on January 15th of this year T. Neves formally represented the Democratic Alliance--the electoral bloc of the PMDB and the Liberal Alliance (PAL)--a centrist grouping, which broke away from the governing Social Democratic Party (PDS) and formed a separate party in December 1984. In fact, however, his candidacy was supported by practically all parties and factions opposed to the military regime. T. Neves was also given active support in his election campaign by the leftist democratic forces, including the Brazilian Communist Party, which operates semi-legally.

T. Neves's convincing victory over the candidate from the governing PDS party, P. Salim Maluf, a 53-year old National Congress deputy from this party, a major entrepreneur and former governor of the state of Sao Paulo, was virtually a foregone conclusion before the voting. Among the factors which guaranteed that victory were the powerful movement of the Brazilian people for the democratization of the country; the sharp differences among the elite of the regime, which had ruled since 1964; the split in

the official government party, as well as P. Maluf's unpopularity not only within broad political circles but also among a certain segment of businessmen and military.

For a majority of the political forces T. Neves symbolized compromise, a smooth and relatively painless conclusion to the ten-year process of "liberalization" and the long-standing need for transition to civilian rule. For this reason observers were not particularly surprised by the fact, which by itself is sufficiently extraordinary, especially if one takes into account the rich, eventful history of Brazil in this century, that the departure from the political scene by the most ambitious of the military-technocratic regimes of South America went unusually smoothly. Having interrupted their holidays for the election of a new head of state, the parliamentarians voted and then once again left the capital, and the representatives of the outgoing administration began to transfer matters to the Neves "transition team."

However, in contrast with the actual elections, the two-year period which preceded it was filled with tense moments. The government was largely successful in imposing on the opposition forces the rate and limits of the "liberalization." The main "landmarks" of this process were: the move away from repression, the repeal of press censorship and some repressive legislation, an amnesty for political prisoners and opponents of the regime who had emigrated, the legalization of parties, the gradual "moving into the shadows" of the higher military command, which had previously controlled in an open manner the making of the most important political decisions.

The 1982 parliamentary elections were supposed to serve as a check on the effectiveness of the government strategy, and mainly to ensure that the executive authority had further control (moreover, it had now been institutionalized) over political life and, in particular, over the preparations for the change of president in 1985. In order to prevent the opposition from predominating in the college of electors (it includes mainly parliamentarians), the government of J. Figueiredo resorted to timely maneuvers which enabled it to generally retain control over the National Congress. Nonetheless, the opposition, and primarily the PMDB, succeeded in expanding significantly its representation both in the lower house (half of the seats), as well as in the Senate (more than one-third of the seats); in addition, it managed to obtain 10 gubernatorial posts and to achieve a majority in a number of legislative assemblies. There is no doubt that the influence of the opposition forces has grown.

The following year, 1983, found Brazil in a worsening financial-economic crisis. After the relatively recent "Brazilian miracle," which instilled such confidence in tomorrow, the country's

economy turned out to be on the edge of failure." Today will be a miracle, if we survive," was the sarcastic headline which the popular newspapers FOLJA DE SAO PAULO gave to one of its economic reviews.

By this time foreign indebtedness exceeded \$90 billion and was swallowing up the lion's share of export income. The volume of industrial income had fallen. Even in the major industrial centers about one-fourth of the able-bodied population was out of work. Inflation reached the 200 percent mark. The catastrophic state of the economy prompted the growth of the strike struggle and a wave of mass protests against the policy of the government, the IMF and the multinational corporations. This could not help but contribute to the further decline in the prestige of the military-technocratic elite among the various strata of the population, because the economic "model" imposed by the military regime resulted in an increase in Brazil's dependence on foreign creditors and led the country to the brink of financial bankruptcy.

By the start of 1983 the popular movement for direct general presidential elections--a symbol of the restoration of democracy--had become massive. Moreover, broad strata of Brazilian society linked the transition to democratic rule with a shift toward a more just economic policy and with the defense of national interests against encroachments of the IMF and the foreign monopolies. According to public opinion polls taken on the eve of 1984 more than 80 percent of Brazilians favored this demand. Voices began to be heard in support of direct elections even in the regime's "Holy of Holies"--the military elite and the entourage of President Figueiredo.

In January-April 1984 a campaign of powerful demonstrations took place under the slogan "Direitas ja!" (Direct elections--immediately!). It was timed to coincide with a vote in the National Congress (25 April) on a corresponding constitutional amendment introduced by the opposition. The growth in the size of popular demonstration was impressive. A 12th of January meeting in Curitiba, attended by 40,000 people, led to a demonstration by 300,000 in Sao Paulo (25 January), then to large marches in Rio de Janeiro and Belem (16 February), a meeting attended by 300,000 in the major industrial center of the South, Belo Horizonte (26 February), and a "rehearsal" attended by 200,000 in Rio de Janeiro (21 March) for the main demonstrations planned for April.

The scale of the popular movement proved unexpected not only for the government but also for some of the opposition. More than a million people participated in each of the demonstrations held within the framework of the campaign for direct elections; the demonstrations took place on 10 April in Rio de Janeiro and 16 April in Sao Paulo. However, the government still had significant

room to maneuver. While preparing itself for the crucial April 25th "skirmish" in the National Congress, the government attempted to use its own counter-plan to draw together the PDS faction and to split the opposition, and also declared a state of emergency in the city of Brasilia and nine neighboring municipalities. Under the state of emergency it was easier to exert pressure on those parliamentarians who were vacillating. These measures were not without results. The National Congress turned down the proposal to restore direct presidential elections. The opposition was 22 votes short of passing a constitutional amendment.

Despite the fact that the mass campaign for the restoration of direct elections had not reached its direct goal, it exerted a very serious influence on the course of the future political struggle. The manifestation of the actively negative attitude which the overwhelming majority of the population had towards the government's political plan led to confusion within the ruling faction. Fermentation "at the top" developed into an open schism. At the height of the mass demonstrations the major PDS faction, headed by the country's vice president, Aureliano Chavez (it also included such influential centrist figures as the PDS president J. Sarney, Senator M. Masiel and others), openly refused to support the government's political line. Under pressure from the rightists Admiral M. Fonseca, minister of the navy, who was close to these circles, was forced to retire at the end of March. The very nature of the 1984 election campaign testified to the fact that the time of the monolithic regime had already receded far into the past; in contrast with previous years, a whole series of figures from the government bloc put forward "at their own initiative," without waiting for approval from above, their own candidates, something which would have been unthinkable before.

After 25 April a unique balance of forces developed in the country. Neither the Figueiredo government nor the opposition could be sure that it had complete control over the preparations for the change of president. This was the beginning of a stage--extremely characteristic of the Brazilian political tradition--in which the limits of the electoral blocs are finally determined and a compromise decision is sought.

At this stage the question of the mutual relations between the future president and the military played no small role in the pre-election struggle. The legal sanctions taken by the radical government in neighboring Argentina against a number of the highest ranking army officers aroused very serious fears among the Brazilian military elite. It should be noted that up to 20 percent of the older officers and generals of the Brazilian army are concentrated in the repressive organs (the security service, the tribunals and the military police). Many of those figures who were prominent in the regime during the 60's and 70's were di-

rectly involved in the repression. In addition, the military-technocratic "establishment" was seriously alarmed by the possibility of an investigation into cases of glaring corruption (which in recent years had become known in part to the press) in state sector enterprises and in government economic agencies, where about 25 percent of the senior management positions are taken up by former members of the military who are connected with the army leadership.

In this situation, a majority of the potential presidential candidates, including the opposition candidates, who were striving to achieve--if not a positive, at least a neutral--attitude on the part of the army and to placate it, were full of assurances that if they were elected they would not permit the "Argentinization" of Brazil.

All these maneuvers and pre-election combinations, the speculative fabrications endlessly whipped up by the press about possible election coalitions and names of candidates, as well as threats from the ultra-rightists and government attempts to split the camp of its opponents and to win over to its side those who were wavering, hid for a time from Brazilian public opinion the essence of the election struggle, which was the determination of the limits and the depth of the further democratization of Brazilian society after the election.

The candidates were finally determined only in September 1984, when, according to the Constitution, the deadline for nominations was reached. And T. Neves's advantage immediately became obvious, as did the fact that it was going to increase. For this reason the government, which was forced to act in circumstances which were unfavorable to it, concentrated its efforts on attempts to achieve by legal measures recognition of the "illegality" of the opposition alliance with the PDS "liberals." However, when these attempts failed (November 1984), the circles close to President Figueiredo, to all intents and purposes reconciled themselves to the inevitability of P. Maluf's defeat and started an attack against the leftist forces supporting T. Neves. The goal was two-fold: to compromise the main candidate from the opposition before the conservatively-inclined members of the college of electors and to isolate him from the communists and other leftist parties and trends.

The military circles, who were even disturbed by the extremely careful statements which T. Neves made concerning the possible legalization of the communist party, undertook a number of provocative and repressive action against the communists. On behalf of the military elite, General E. Figueiredo, (the president's brother), the head of the Higher Military School made a statement about "the danger of legalizing the leftist antidemocratic parties."

The question of the so-called "social pact" proposed by T. Neves became a substantial aspect in the final stage of the pre-election struggle. This plan called for trilateral negotiations (state--owners--trade unions) with the aim of achieving agreement on the introduction of a "social truce," which would last for a period from three to nine months and would give the new government an opportunity to carry out the most urgent measures to stabilize the economy and restrain inflation. As an example of such an agreement T. Neves suggested Spain's solution--the "Man-cloa Pact" (undertaken after the death of the dictator Franco). The left wing of the Brazilian trade unions reacted with great caution to this proposal. However, the candidate succeeded in enlisting the support of both influential associations of owners as well as (with certain reservations) of the "compromise" majority of five out of eight confederations and 115 industrial trade unions, which operate within the framework determined by the corporative labor legislation. It was mainly to them that T. Neves's proposal was directed.

The proposal of an item such as a "social pact" vividly demonstrated both the bourgeois limited nature of the future government's program in the social area, as well as the relative weakness of the trade union movement, which was not able to effectively withstand the pressure from owners and bourgeois parties on this question. An agreement about the "pact" was supposed to grant T. Neves a tactically very important "breathing space" and an additional guarantee of stability for his government.

The tasks which the new president must resolve are extremely complex. Although the economy showed certain signs of a revival in 1984, its problems remained far from being solved. These were first of all inflation, foreign indebtedness which remains high and the related dependence on the IMF and foreign banks, massive poverty and unemployment, regional imbalances, an extremely high crime rate, corruption in the government apparatus, destabilizing actions by the right-wing extremist factions and much else. The "ease" with which the military left the highest state posts is explained by the severity of these problems.

Despite the compromises involved in the transfer of power and the fact that the elections took place within a framework imposed by the outgoing regime, the 15th of March 1985 undoubtedly became, in the unanimous opinion of Brazilian and foreign observers, a landmark in the country's political history. In the first place, the 20-year period of military rule was formally brought to an end, as was the complex, step-by-step process of "political decompression" or liberalization; it was a process which had ebbed and flowed and yet had proceeded relatively smoothly and gradually, and which had aroused intense interest throughout the world for a number of years. In the second place, the democratic

forces managed to sustain an important victory in the end. The arrival of an opposition figure in the Alvorada Palace provides evidence that the military-technocratic elite, which, in the beginning stages of "liberalization" had the political initiative nonetheless was forced to give it up; this has substantial significance for the political future of Brazil. In the third place, the election first convincingly demonstrated the growing influence of the most consistently democratic forces which actively opposed the regime--the communists and the left wing of the trade union movement--and then opened up new prospects for them. T. Neves's platform included such points as the calling of a constituent constitutional assembly, the restoration of direct presidential elections, the re-examination of corporative labor legislation and of the law imposed by the military regime on the political parties which discriminates against the leftist forces (as is well known, the Brazilian Communist Party, which consistently fought for the cause of democracy during all the years of military rule, has not yet been legalized).

Finally, the election of T. Neves to the presidency was a substantial new manifestation of the regional process of crisis in the military regimes and a return to bourgeois democratic forms of rule in the southern part of the Latin American continent. The fact that Brazil has finally joined those states which have freed themselves from military dictators cannot but contribute to the consolidation of this process, as well as to the strengthening of the positions held by the bourgeois-democratic governments which have recently come to power in the neighboring countries and to their search for joint ways to struggle for national independence, for the new international economic policy and for international security.

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LATIN AMERICA AND THE CARIBBEAN

TABLE OF CONTENTS OF LATINSKAYA AMERIKA NO 6, 1985

Moscow LATINSKAYA AMERIKA in Russian No 6, Jun 85 pp 3-4

[Text] EDITOR'S COLUMN

The Grip of the Foreign Debt . . . . .	5
A.A. Kanunnikov. In Support of Anti-Imperialist Solidarity, Peace, and Friendship . . . . .	7
A.A. Mertsalov. Cuba's Young Generation -- Active Builders of Socialism . . . . .	24

REPORTS

A.V. Silant'yev. Peru: Government Policy in the Sphere of the Mass Information Media . . . . .	30
---	----

USSR-LATIN AMERICA

40 Years Since the Establishment of Soviet-Ecuadorian Diplomatic Relations: In the Interests of Peace and Cooperation . . . . .	37
E.E. Litavrina. From the History of the Formative Stage of Soviet- Colombian Diplomatic Relations . . . . .	40

500 YEARS SINCE THE DISCOVERY OF AMERICA: A MEETING OF CULTURES AND CONTINENTS

'Who Discovered Columbus?' (A Meeting with Thor Heyerdahl in the Editorial Office) . . . . .	45
---	----

PAGES OF HISTORY

A.F. Shul'govskiy. The 'Bogota Commune' and Utopian Socialism (Part 2) . . . . .	65
---	----

FROM THE JOURNALIST'S NOTEBOOK

I.A. Vasil'kova. CAMEXPO-84: A Report from the Exhibition . . . . .	80
---	----

## ART AND LITERATURE

- Nara Araujo (Cuba). 'Atala' in the Old World and in the New World . 87  
 'Cuba -- A Country of Friends' . . . . . 98

## FROM MEMOIRS

- J.A. Portuondo. 'A Legion of Friends' . . . . . 103

## THE BOOKSHELF

### Surveys

- M.M. Gurvits. Latin-American Sociologists on the Crisis of the  
 Bourgeois State . . . . . 109

### Reviews

- M.V. Antyasov. A Glinkin: 'Latino-Americanism as Opposed to  
 Pan-Americanism. (From Simon Bolivar to Our Day),' "Progress,"  
 Moscow, 1984 . . . . . 117  
 Yu.A. Antonov, Yu.N. Korolev. Felicity Williams: 'The Socialist  
 International and Latin America. A Critical Essay,' Mexico,  
 1984 . . . . . 118  
 A.A. Sujostat. T.N. Vetrova: 'The Latin American Cinematographer,'  
 "Znaniye," Moscow, 1984 . . . . . 120  
 O.N. Dokuchayeva. Arturo Sape: 'Bogotazo: Memories of the Forgotten,'  
 Casa de las Americas, Havana, 1983 . . . . . 121  
 Yu.G. Georgiyev. M.V. Kulakov: 'The 'Green Revolution' and Hunger in  
 in Latin America (The Scientific-Technical Revolution, Agriculture,  
 and the Food Problem),' Izdatel'stvo Moskovskogo universiteta,  
 Moscow, 1984 . . . . . 125

## SCIENTIFIC LIFE

- A.N. Glinkin. 'The General History of Latin America' . . . . . 127

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12424

CSO: 1807/378

## LATIN AMERICA AND THE CARIBBEAN

### LATIN AMERICAN COUNTRIES PREPARE FOR MOSCOW YOUTH FESTIVAL

Moscow LATINSKAYA AMERIKA in Russian No 6, Jun 85 pp 7-10

[Article by A.A. Kanunnikov: "In Support of Anti-Imperialist Solidarity, Peace, and Friendship"]

[Text] The young people of the countries of Latin America and the Caribbean Basin actively prepared for the 12th World Festival of Young People and Students (VFMS).

At the first meeting of the festival's International Preparation Committee, (MPK) which was held in Havana in February 1984, representatives of 186 international, regional, and national youth organizations from 92 of the world's countries adopted the festival's appeal and its slogan -- "In Support of Anti-Imperialist Solidarity, Peace, and Friendship."

The first National Preparation Committee (NPK) in Latin America for the 12th Festival was organized in Ecuador. In mid-March 1984 delegates from 23 national youth, student, sports, and mass-cultural organizations met in Quito for the Constituent Assembly of the Ecuadorean National Preparation Committee of the 12th VFMS. The representatives of all the organizations unanimously supported the creation of an NKP and adopted the National Appeal of Ecuadorean Young People, which proclaimed the establishment of preparation committees in the provinces and announced a broad nation-wide campaign to prepare for participation in the 12th VFMS. Eugenio Hijo Guerrero, the general secretary of the Communist Youth of Ecuador, was elected NKP chairman. Representatives of eight of the country's leading progressive youth organizations were also included in the NKP leadership.

Preparations for the 12th VFMS on both the national and the international levels were extensively covered in Ecuadorian newspapers. Here are a few examples of the work of Ecuadorean youth organizations which are members of the National Preparation Committee for the 12th VFMS to propagandize the slogan of the Moscow Festival. Members of the Eloy Alfaro Pioneer Organization conducted a Peace March. On NKP initiative a political song festival called "El Salvador Will Win!" was held. New songs dedicated to the 12th VFMS were also performed. It is important to note that delegations from many of the country's provinces, where provincial preparation committees which are members of the Ecuador NPK are active, took part in the festival in Quito.

A representative NPK was organized in Colombia. Delegates from 25 of the country's youth, children's, and student as well as trade union organizations were included in it. The well-known Colombian writer David Sanchez Juliao headed the NPK. The committee appealed to all children's, youth, student, and trade union organizations and creative unions, as well as social figures, journalists, and people working in art and culture to actively join in the work to prepare for the 12th VFMS and create all conditions needed to form a broad and representative national delegation to the Moscow Festival.

The basic measures planned within the framework of preparing for the 12th VFMS in Colombia are a National Forum and Youth Festival (to be held in June 1985) and an International Solidarity Marathon, which is supposed to be a part of the program of the 2nd National Festival, conducted jointly with the Jose A. Galan Union of Pioneers.

Mass national preparation committees were set up in Argentina, Venezuela, Mexico, and other countries. The Panama National Preparation Committee became the first representative committee in the entire history of the festival movement in the country. The rector of the National University Seferino Sanchez was elected chairman of the Panama NPK. The NPK arranged the printing of a festival bulletin and slides and carried out dozens of measures devoted to the 12th VFMS.

The organization of an openly operating National Preparation Committee in Chile was a great success of the democratic forces. The festival bulletin was distributed legally around the country and posters dedicated to the 12th VFMS were printed. The NPK began receiving letters from young workers and students, amateur actors and artists, members of Catholic youth organizations and organizations of young Indians, peasants, and office workers; they told of Chilean young people's participation in the struggle for democracy and their yearning for peace and friendship.

The progressive young people of such countries as El Salvador, Honduras, Guatemala, and Haiti, where reactionary and dictatorial regimes are still preserved, also prepared to participate in the 12th VFMS.

The fact that by the 4th meeting of the International Preparation Committee (Moscow -- 28-31 March 1985), National Preparation Committees have already been set up in 31 of the region's countries illustrates the scope of Latin American preparations for the Moscow festival. Representatives of the NPK's of Argentina, Chile, Ecuador, Nicaragua, Cuba, Puerto Rico, and El Salvador joined the Standing Commission of the 12th World Festival of Youth and Students.

For young Latin Americans participation in the 12th Festival is an opportunity to tell young men and women of their struggle for the social and economic development of their countries, for sovereignty and national independence, and for the right to live and work. The festival is an opportunity to unite their voices with the voices of millions of young people in the whole world who are fighting against nuclear catastrophe.

The 12th World Festival of Youth and Students coincided with the International Year of Youth conducted on the initiative of the United Nations.

The interest which the world community is showing in the problems of youth is completely natural. The size of the young generation on our planet increases every year. While in 1980 there were 850 million young men and women from 15 to 24 years of age in the world, by the year 2000, according to UN estimates, this figure will already exceed 1 billion. But the main point is that the role of young people and their organizations in performing many major political and socioeconomic tasks of world development, and above all in the struggle for peace and disarmament and to prevent nuclear war and stop the arms race, is steadily increasing.

A regional conference on preparing for the International Year of Youth was held from 3 October through 7 October 1983 in San Jose (Costa Rica). Representatives of 26 SEPAL [expansion unknown] member-countries as well as representatives of many social, youth, and other organizations took part in its work. During the discussion of the report "The Position and Prospects of Latin American Youth," the conference's participants were compelled to acknowledge that in conditions of deepened economic crisis, unemployment is one of the most crucial problems. More than half of all people out of work are young people. Problems of education and medical care and others are also crucial to Latin American youth.

The report by the UN Secretary-General, "The Position of Youth in the 1980's," noted that "the needs, rights, and interests of young people can only be met in conditions of peace. . . . The struggle for peace and disarmament is considered the main sphere of all the aspirations of young people." Most of the participants in the regional conference, where concern was heard for the aggravation of international tension and the negative influence which it has on solving problems facing young people, shared this approach. It was noted that the arms race diverts a substantial amount of capital which could be used to meet the needs and interests of the young generation. The need to indoctrinate young people in the spirit of peace, friendship, and cooperation among peoples was emphasized.

It is precisely these goals and tasks of the International Year of Youth which are actively supported by the NPK's of the Moscow Festival. "The goals of the year of youth are close to us; they are reflected in the festival movement, which has always spoken out for insuring the political and socioeconomic rights of the young generation," the 12th VFMS Appeal says.

However, some are also trying to use the slogan of the International Year of Youth, "Participation, Development, and Peace," for selfish purposes. As is well known, imperialist circles, and above all the United States, have recently undertaken efforts to expand the influence of right conservative forces in the international youth and student movement. For this reason, as well as to counterbalance the 12th VFMS, it was decided to conduct the so-called International Youth Conference (IYC) in Jamaica. The IYC organizers set the goal of creating a new international youth organization which would harness the youth movement to Reagan's "Christian crusade" against communism

and divert the youth organizations of developing countries from the struggle against neocolonialism and for economic and political independence.

In order to attract as many participants as possible to the IYC, the slogan of the International Year of Youth was used. Nonetheless, the attempt of imperialist forces to disrupt the international youth movement aroused decisive protest on the part of the youth organizations of all continents. Numerous letters in which youth organizations sharply condemned the IYC were received by the United Nations, national committees on the International Year of Youth, and ministries on youth affairs. As was noted in the announcement of the youth organization of the People's National Party of Jamaica, for example, the IYC is a serious violation of the UN Charter and the principles of conduct of the International Year of Youth. The IYC did not satisfy the organizer's expectations; it failed miserably. It was a extravaganza on the American model which had nothing to do with the needs and aspirations of the planet's young generation.

The participants in the Latin American consultative conference of National Preparation Committees for the 12th VFMS adopted a statement which reflects the aspiration of the overwhelming majority of Latin American youth to strengthen the unity of democratic forces and anti-imperialist solidarity and continue the struggle for the rights of young people.

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LATIN AMERICA AND THE CARIBBEAN

ECUADOREAN OFFICIALS STRESS IMPORTANCE OF TIES WITH USSR

Moscow LATINSKAYA AMERIKA in Russian No 6, Jun 85 pp 37-40

[Article by Eduardo Carmigniani Garces and Leonidas Plasa Verduga, delegates to the National Congress of Ecuador, under the rubric "USSR -- Latin America": "40 Years of Soviet-Ecuadorean Diplomatic Relations: In the Interests of Peace and Cooperation"]

[Text] In connection with the 40th anniversary of the establishment of diplomatic relations between the USSR and the Republic of Ecuador, the journal's editorial office asked Eduardo Carmigniani Garces and Leonidas Plasa Verduga, delegates to the National Congress of Ecuador, to give their opinions on the significance of this event.

Eduardo Carmigniani Garces: I would like to emphasize that at the present time Soviet-Ecuadorean relations have entered a new period of development. The Ecuadorean people and leading political circles are deeply convinced that these relations must be an important element of our country's international ties and contacts. I hold precisely this viewpoint and defend it in the National Congress.

Our accumulated experience of bilateral cooperation proves its benefit. The Ecuadorean side buys machine equipment and cars from the Soviet Union. The Lada car is very well received in our domestic market. I am not a specialist in the field of economics but I can express the conviction that the opportunities to expand mutual trade have not yet been fully utilized. For example, Soviet agricultural machines can interest us. Ecuador in turn occupies first place in the world in catching shrimp and is a major producer of coffee and bananas. On the whole, in my opinion, more active exchange by specialized delegations is needed to expand and intensify mutual trade. It appears that the time has come to decide the question of Aeroflot planes which fly to Lima landing in Quito. Soviet use of the capacities of our country's Guayaquil port could play an important role in developing trade relations.

At the present time our country is going through a difficult period. We inherited an economy on the brink of failure from the former administration. The previous course of development was built on the false premise that Ecuador was a country rich in oil which could rapidly put an end to backwardness. We

propose that our country should return to the path of agroindustrial development, while not ignoring the fact that oil is a nonrenewable mineral resource which must be conserved. We must accelerate the development of the economy's agricultural sector. This is the only way for us to solve the complex problems which the nation faces. The development of trade cooperation with the USSR in this direction is becoming more and more promising. One of Ecuador's advantages is the existence in a relatively small territory of all climatic zones found on Earth; this enables the USSR's technological achievements and experience in developing agricultural production in different climatic conditions to be utilized.

Mutual exchange has always been very valuable in the field of culture. Cultural figures come to us regularly from the USSR; they acquaint Ecuador's broad public with the achievements of Soviet literature and art. Here I will also cite some of our artists, poets, writers, and sculptors whose works the Soviet public might be interested in. Among them, undoubtedly, are Rendon and Kingmann, whose ideas inspired the universally-known Ecuadorean artist Guayasamin. The works of the following people are of interest: Enrique Tabara; Estuardo Maldonado; Umberto More; Leona Rikaurte; Luisa Molinari Floresa; and, finally, the very promising Antonio del Campo. And to all of this must be added the beauty and uniqueness of our architectural monuments; they are not only a national achievement but also, as UNESCO said, a cultural achievement of all mankind.

Let us touch on the question of ties on an interstate level. Once a year a bilateral consultation and exchange of opinions among representatives of foreign policy departments takes place. The current President of Ecuador, Leon Febres-Cordero favors conducting them. We live on the threshold of the 21st century, which demands the development of good relations among all the world's states.

Leonidas Plasa Verduga: I am a member of the commission on foreign relations of the National Congress of the Republic of Ecuador. To me it seems important to dwell on Ecuador's activities in the international sphere. We have always aspired to develop relations with all countries of the world. Various governments, regardless of their ideological reference points, whether they are Velasquistes (supporters and adherents of Jose Maria Velasco Ybarra, who was elected to the post of the country's president numerous times -- editor's note), liberals, conservatives, or centrists, have all spoken out in favor of multilateral international ties.

Therefore, Ecuadorean diplomacy has tried to establish the broadest possible circle of relations, although domestic political circumstances at certain times prevented this. But as soon as opportunities to overcome them opened up, the country once again returned to its former foreign policy line.

Every people has the right to self-determination but along with this the mutual dependency of countries must be recognized. Like the other Latin American states, we are a developing country and we are interested in expanding relations with other states of the world. In order to break out of the clutches of financial dependence on the International Monetary Fund, we need the assistance of other countries of the world, in particular economic

cooperation with the Soviet Union, which can help us overcome the complicated situation on the basis of balanced mutual trade.

The USSR's experience in the social sphere is also of interest to us. We have goals and plans in this area too. We aspire to a society of social justice, and move toward it as our economic potential increases. Of course, we are aware that unfortunately our capabilities in the field of health care, education, the creation of new jobs, and the like are still limited. Therefore, cooperation with the USSR in this direction would undoubtedly be to the benefit of the people of Ecuador.

There is one more very important circumstance which unites Ecuador and the Soviet Union. It is the struggle for peace in the entire world. Ecuador's international positions are reflected in our activities in the United Nations. We give all-out support to the struggle to protect peace. Thus, for example, our government is an advocate of the initiatives of the "Contadora group," which focus on achieving peace in the Central American region. And this problem concerns not just us Latin Americans but, as is well known, the entire world.

Ecuador is a peace-loving state. Our activities in this direction recently received international praise -- the honor of representing Latin America in the World Peace Council as its vice-president was conferred on Eduardo Carmigniani, who is here now.

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**LATIN AMERICA AND THE CARIBBEAN**

**HISTORY OF EARLY COLOMBIA-USSR RELATIONS, 50 YEARS LATER**

Moscow LATINSKAYA AMERIKA in Russian No 6, Jun 85 pp 40-44

[Article by E.E. Litavrina: "From the History of the Formative Stage of Soviet-Colombian Diplomatic Relations"]

[Text] An exchange of notes between representatives of the Soviet Union and Colombia on establishing diplomatic relations took place on 25 June 1935 in Rome. The statements of the envoy of the Republic of Colombia in Italy G. Turbaya and the authorized representative of the USSR in Italy B. Shteyn noted that this act would "help support and develop friendly mutual relations and universal peace."<sup>1</sup> Thus the beginning was made in cooperation which, despite temporary interruptions and complications, became a tangible factor in work to realize the principles of the peaceful coexistence of states with different social orders.

In characterizing the situation in the domestic life of Colombia in this period, it should be noted that major political changes had taken place in the country. Important measures focused on strengthening the country's economic independence, democratizing society, and improving the position of the broad strata of people are linked to the name of the prominent statesman and president of the republic in 1934-1938, Alfonso Lopez Pumarejo. The government he headed, which reflected the interests of representatives of the left wing of the liberal party and was supported by all the country's progressive forces, promoted a broad program of transformations under the name "revolution in action." Its goal was to create a "liberal republic" and a state that would protect the popular masses. As the Colombian Marxist historian Medofilo Medina believes, by the very definition "liberal republic" A. Lopez tried to emphasize the fundamental difference between his policies and the course of earlier conservative governments.<sup>2</sup>

The activities of the left liberal government were primarily directed to accelerating economic development and weakening dependence on foreign capital. President A. Lopez advanced the slogan "Colombia for Colombians" and appealed to his fellow countrymen to "discover your own country" and make broader use of its wealth, putting it at the service of the people.<sup>3</sup>

One of the first reforms carried out was a tax reform: the burden of taxes on working people was reduced and high direct taxes on real property were

introduced.<sup>4</sup> Steps were taken in the struggle against unemployment by conducting public works and road construction on a large scale. The constitutional reform of 1936 was an important step on the path to democratization. Law No 200 on agrarian reform (1936) set a limit of large-scale land ownership and created the conditions to develop the small peasant economy. The constitution envisioned the possibility of state confiscation of "latifundistas" lands which was not in production use. At the same time it was proclaimed that labor on the land was a basis for possession of land as the right of ownership. In practice this meant that thousands of peasants, renters, and "ocupantes" (as peasants who seized fallow land with weapons in hand were called), after 10 years of work on their plots, would acquire the right to own the land.<sup>5</sup> New labor legislation was also introduced. A number of decrees (on the eight-hour work day and on the minimum guaranteed wage) were adopted, the conclusion of collective contracts was put in order, the rights of foreign entrepreneurs were restricted, and discrimination in labor payment for Colombian and foreign workers was eliminated. The day 1 May 1937 was declared a national labor holiday.

A. Lopez identified the class struggle with the struggle of the entire people, led by the liberal party, against traditional oligarchy. While recognizing only peaceful forms of struggle, he nonetheless believed that by their own activism working people make a contribution to the struggle to preserve and develop democracy. The policies of the left liberal government were undoubtedly of a progressive character.

In his speeches in those years A. Lopez repeatedly expressed the idea that foreign policy is a continuation of domestic policy.<sup>6</sup> He believed that the democratization of political life carried out in Colombia would lead to the expanded participation of broad strata of the people not only in working out the course of domestic policy but of foreign policy as well, and on a broader level it would help overcome political isolation and bring different countries and peoples together. A. Lopez dreamed of a time when international relations would stop being reduced to the "exchange of soulless notes." He said: "We will take every opportunity to strengthen cooperation and genuinely friendly relations among all peoples."

The establishment of diplomatic relations with the USSR was one of the manifestations of the progressive constructive course of Colombia's government aimed at expanding the cooperation of peace-loving states in the struggle to preserve peace in the entire world. The activities of the Colombia delegation in the League of Nations (1935-1936) during consideration of the question of the fascist Italy's aggression against Abyssinia eloquently attests to this. New trends in international politics were clearly identified in discussing this problem. The Colombian delegation supported the position of Soviet diplomacy which condemned England's and France's policy of concessions to the aggressor and the refusal to realize the decision on economic sanctions unanimously adopted by the league assembly.<sup>8</sup> G. Turbair's speeches exposed the policies of the "great capitalist powers" and their desire to disregard the interests of other peoples and promoted the principle of the equality of small countries in international relations.<sup>9</sup>

Along with other peace-loving states, Colombia later actively supported the League of Nations' condemnation of the aggression by fascist Italy and Germany against the Spanish Republic at a time when English-French diplomacy was trying to follow a policy of nonintervention. This objectively helped expand this aggression which was in open violation of the principles of international cooperation proclaimed by the League Charter. In a 1937 presidential message A. Lopez condemned the position of the imperialist powers in the League of Nations. He wrote: "With horror we observe what is occurring in Spain. For us American peoples it must be an alarm signal which announces a threat to our future."<sup>10</sup> These words reflect the deep understanding that local wars launched against independent states represent a real danger for all of humanity.

A. Lopez saw the possibility of preventing aggression in strictly complying with the norms of international law and concluding antiwar pacts, which he considered an effective means against the politics from a position of strength that the "Axis" powers were following with the connivance of England and France. "Can it be that what occurred in Ethiopia and Spain will become the rule in future international relations," he said in 1937, "and that weak peoples and those countries where civil wars break out will be governed by it? Can it be that now and forevermore internal conflicts between left and right will only be resolved through imperialist intervention?"<sup>11</sup>

The program of international cooperation advanced during the presidency of A. Lopez was on the whole in harmony with the Soviet Union's foreign policy course aimed at creating a system of collective security and joint resistance to fascist aggression.

The question of the role of the Latin American countries in the world arena and of their interrelations with the United States of America occupied a special place in Colombia's foreign policy in 1934-1938. The aspiration to raise the prestige of Colombia and other countries of the region in solving international problems and in the struggle to carry out a new foreign policy course based on the principles of equality, mutual respect, and nonintervention in one another's internal affairs was clearly expressed in the foreign policy of A. Lopez's government. A. Lopez believed that those just principles of international law which were proclaimed in the League of Nations Charter but not realized could be put in practice in relations among the countries of Latin America. He repeatedly emphasized that the great powers not only ignored the interests of Colombia but those of other countries of Latin America as well and therefore deemed it necessary to unite all the region's states. He was convinced that Colombia, Peru, and Ecuador, which were closely related by historical traditions and the joint struggle for independence, should be the first to promote this unity.<sup>12</sup>

While praising certain progressive trends in the foreign policy of F.D. Roosevelt, who proclaimed a "good neighbor" policy toward the countries of Latin America, A. Lopez was aware that major obstacles existed on the path to equality of cooperation of countries of the Western Hemisphere. He proposed that the Monroe Doctrine be completely rejected.<sup>13</sup> At a conference in Buenos Aires in 1936 the Colombian delegation spoke out for converting the Organization of American States, which was obedient to the United States, into

an organization able to rally and coordinate the actions of Latin American countries as well as develop international cooperation.

The progressive course of the left liberal government in the fields of domestic and foreign policy aroused bittered opposition from reactionaries. In subsequent years a departure from independent foreign policy was observed. The establishment of diplomatic relations with the USSR, proclaimed in 1935, was not realized in practice. Only in 1943 as a result of the changed internal political situation in Colombia, which took place against the background of the successful struggle by the countries of the antifascist coalition against Hitler's Germany and its allies and, above all, the defeat of fascist troupes near Moscow and Stalingrad, did the next step toward rapprochement our countries become possible. A decision to exchange envoys between the USSR and Colombia was adopted on 3 February 1943.<sup>14</sup>

The establishment of diplomatic relations between the Soviet Union and the countries of Latin America, among them Colombia, helped expand the ranks of the anti-Hitler coalition and in the concluding stage of World War II helped create the United Nations.

#### FOOTNOTES

1. "Dokumenty vneshney politiki SSSR" [Documents of USSR Foreign Policy], Vol 18, Moscow, 1973, p 409.
2. A. Lopez Pumarejo, "Obras selectas, primera parte (1926-1937)" [Selected Works, Part I (1926-1937)], Bogota, 1979, p 11; A. Lopez Pumarejo, "Politica oficial" [Official Policy], Vol 1, Bogota, 1935, pp 29-30.
3. Ibid., Vol 1, pp 29-30.
4. A. Lopez Pumarejo, "Mensaje presidencial al Congreso. 1936" [Presidential Message to Congress. 1936], Bogota, 1936, p 22.
5. A. Lopez Pumarejo, "Politica oficial", op. cit., Vol 2, pp 59-60.
6. A. Lopez Pumarejo, "Obras selectas, primera parte," op. cit., p 117.
7. A. Lopez Pumarejo, "Discourse on Possession. 7 August 1934" in "Obras selectas, primera parte," op. cit., p 117.
8. "Memoria del ministro de relaciones exteriores al Congreso de 1936" [Memorandum of the Minister of Foreign Relations to the 1936 Congress], p 512.
9. Ibid.
10. A. Lopez Pumarejo, "Obras selectas, segunda parte" [Selected Works, Part 2], Bogota, 1980, p 134.
11. Ibid., p 135.

12. A. Lopez Pumarejo, "Politica oficial," op. cit., Vol 1, p 34.
13. A. Lopez Pumarejo, "Obras selectas, segunda parte," op. cit., p 141.
14. "Vneshnyaya politika Sovetskogo Soyuza v period Otechestvennoy voyny" [The Foreign Policy of the Soviet Union in the Period of the Patriotic War], Vol 1, Moscow, 1946, p 341. This important foreign policy act was carried out at the moment when A. Lopez Pumarejo once again became president of Colombia (1942-1944).

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## LATIN AMERICA AND THE CARIBBEAN

### CEMA EXHIBIT IN MEXICO SEEN OFFERING NEW TRADE POSSIBILITIES

Moscow LATINSKAYA AMERIKA in Russian No 6, Jun 85 pp 80-86

[Article by I.A. Vasil'kova under the rubric "From the Journalist's Notebook": "Camexpo-84: A Report from the Exhibition"]

[Excerpts] The arena of the Mexican Sports Palace has never seen such a thing before, asserted the general director of this sports structure which holds 25,000 spectators. And in reality the field with an area of more than 7,000 square meters had been converted into an enormous exhibit area. In the center was the Soviet Union's pavillion and around it -- the pavillions of other socialist states participating in the joint exhibit of CEMA member-countries.

This is the first such exhibit held in the Western Hemisphere in the 35 years of CEMA's existence. Why was Mexico chosen as the place to hold it? It is perhaps this question more than others which Mexican journalists posed at press conferences held within the framework of "Camexpo-84." "In the first place, because Mexico concluded an agreement on cooperation with CEMA back in 1975 and showed interest and readiness to hold the exhibit," said V.V. Sychev, CEMA secretary, responding to the journalists' questions. "In the second place, holding 'Camexpo-84' reflects the mutual desire of the parties to fulfill the agreement signed 10 years ago. Finally, the fact that Mexico was the first country in the Western Hemisphere to establish diplomatic relations with the world of socialism also played its role."

Skeptics said: The sports palace is located too far from the center of the city; moreover, most of the exhibits -- machine tools, machines, and equipment -- are only interesting to specialists. And what is more, visiting exhibitions is not the favorite amusement of Mexicans, so it is hardly worthwhile to expect a large influx of visitors. Nonetheless, the success of "Camexpo-84" exceeded all expectations. More than half a million people -- a record number for Mexico, it is asserted -- visited during the two weeks of the exhibition. Every day an enormous line formed up near the entrance to the Sports Palace several hours before it opened and did not run out until late evening. People came in families, while pupils and students came as whole classes or departments. It was not only crowded near the displays of light industry goods, everyday items, and articles made by folk craftsmen, but also near the exhibits which reflected the achievements of the countries of

socialism in the fields of power engineering, agriculture, heavy machine building, and in conquering space. Mexicans, a passionate and temperamental people, sat down for hours (if there were not enough chairs, then directly on the floor) near the videoplayers which showed films on socialist countries today. Finding out the truth about the world of socialism and seeing everything with their own eyes was what attracted representatives of the most varied strata of Mexican society -- students and professors, small merchants and big businessmen, workers and entrepreneurs -- to the exhibition. "The exhibition shows us what enormous successes can be achieved in all spheres of the economy if the efforts of different countries are joined on the principles of mutual benefit, equality, and respect of the interests of each of them. If the Western states joined the path of fair cooperation which CEMA has shown us, mankind could put an end to hunger, unemployment, and other misfortunes from which our planet suffers," engineer Angel Castaneda left this entry in the testimonial book. "It is correct to say that seeing something once is better than hearing it 100 times. This exhibition is the greatest contribution to the work of strengthening mutual understanding between our peoples," noted student Francisco Ramirez. Here is one more entry made by the 300,000th visitor, textile-engineer Edelberto Hernandez: "By visiting the exhibition it is as if we made a journey to the world of socialism, which we knew little of up to that point. We have seen a world where all the achievements of science, economics, and technology are focused on people living better -- a world where justice and concern for human beings hold sway."

"What do you think of 'Camexpo-84' and the future of trade with socialist countries?" the correspondent of the new Mexican journal CAMEXPORT, devoted to the problems of interrelations between Mexico and CEMA, turned to representatives of the country's business world with this question.

"Strengthening ties with the CEMA countries," said N. Madauar, manager of the Consanako firm said, "makes it possible to diversify foreign trade and thus lessen dependence on the North American market, which accounts for almost 70 percent of the commodity turnover." "The benefits which the markets of the socialist states promise for Mexican entrepreneurs are enormous," emphasized the well-known Mexican businessman, J.M. Otero. "Commodity exchange with planned economies which guarantee its stability will enable us too to plan our foreign trade for the long run."

Just before the opening of the exhibition, J. Deschamp Gongora, general director of the National College of Economists, published an important study entitled "The New Mexican Strategy -- Trade with the Socialist World." It emphasizes, in particular, that expanded cooperation with the states of the socialist community is an alternative to the West's increasing economic pressure and an effective means of normalizing the Mexican economy.

Similar thoughts were also expressed by many statesmen who visited Campexpo-84." "Mexico intends to make substantial efforts to strengthen economic relations with socialist countries. This would be an important contribution to solving many global economic problems," said B. Sepulveda, secretary of foreign relations. M. de la Madrid, the country's president, gave high praise to the exhibition and the prospects of cooperation between

Mexico and CEMA. He emphasized the need to search for new forms of international trade and cooperation and overcome existing obstacles on the path of dynamic development of ties between Mexico and the world of socialism. Fuller utilization of the opportunities for economic, trade, technical, and cultural cooperation on the basis of equality and mutual trust is an investment in the struggle for the cause of peace, the president said.

Mexico's major press showed rare unanimity in evaluating the first exhibition of the socialist countries, calling it the most important event in the country's economic life in recent years. "Noah's ark in the ocean of world crisis" was the way the major Mexican newspaper EXCELSIOR described "Camexpo-84." Another influential newspaper EL UNIVERSAL called the exhibition "a gulp of fresh air which inspires hope." "We must rid ourselves of ideological prejudices and work out a new strategy of trade thinking," wrote the journal ACIERTO, the organ of business circles. "While billions of dollars settle in American banks every day merely as interest on loans, the countries of socialism, following good will and their own international duty, offer us various credit and commercial privileges and try to help strengthen political and economic independence."

During the days of the exhibition's, the board of directors and press center held a contest among Mexican journalists for the best article on "Camexpo-84." The first prize --for nobility of idea and boldness in its embodiment -- was awarded to a group of independent journalists who undertook publication of the above-mentioned journal CAMEXPORT, whose name combines three key words: CEMA, Mexico, and export.

Turning to readers, A. de la Huerta, the director of the journal, writes, "Our journal is called on to fill a vacuum which exists in the newspaper-journal market of Mexico and all of Latin America and to be an information bridge between the states of the socialist community and our continent's countries. The journal was founded to be the channel of truthful information on the opportunities of the socialist market. This is especially necessary today when disinformation and the lack of objective information put obstacles in the path of development of trade ties between the world of socialism and Latin America."

"The USSR and Mexico are setting an example of how a common language can be found and countries belonging to different social systems can cooperate successfully," R.A. Sergeyev, the ambassador in Mexico, said in opening the Day of the Soviet Union at "Camexpo-84." This day was dedicated to the 60th anniversary of Soviet-Mexican relations, which was widely observed in both countries. The gala presentation of the book "Litsa druzey" [The Faces of Friends], which was published by the Novosti Press Agency on the occasion of the jubilee date, became the central event. In this book Soviet and Mexican journalists talk about people who have made the greatest contributions to strengthening Soviet-Mexican friendship. The authors and some of the book's heroes -- C. Zapata Vela, the president of the Mexico-USSR Institute of Friendship and Cultural Exchange, A. Sendejas, well-known publicist and social figure, and Professor L. Sea of UNAM [possibly National University of Mexico], who was recently awarded the title of honorary doctor of MGU [Moscow State University] -- spoke at the presentation ceremony. The participants in the

meeting were also presented with Sea's book "The Philosophy of American History," which was just published in Russian in the Soviet Union.

The section devoted to the history of Soviet-Mexican relations attracted visitors' attention. Its numerous exhibits and photographs told of how the foundation of friendship of our peoples was laid and how year after year the stories of this symbolic "building" have risen.

The Day of the Soviet Union was a vivid event in exhibition life. Press conferences and concerts of Soviet artists were set up and films for adults and children were shown right next to the exhibits. And business negotiations with representatives of Mexican state and private firms took place behind thin partitions during that time. Incidentally, not one of the 2,000 Soviet exhibits, from tractors which had proven themselves in Mexico to items of the Russian handicrafts industry, remained unheeded. Many of them were sold out.

"Never before have our negotiations with Mexicans been so constructive," emphasized P.Ya. Koshelev, GKES [State Committee of the USSR Council of Ministers on Foreign Economic Relations] chairman and head of the Soviet delegation to the 5th meeting of the joint commission on cooperation between CEMA and Mexico, which was held during the exhibition, at one of the press conferences. "Soviet-Mexican economic and trade relations were given a new impetus and the necessary groundwork was laid to realize the outlined plans and projects of cooperation between our countries as rapidly as possible."

In two weeks the exhibition not only acquainted Mexicans with the achievements of real socialism; it convinced and disproved, surprised and delighted, aroused interest, and created the groundwork for strengthening business cooperation. "Camexpo-84" became a new impetus to strengthening peace and friendship and mutually advantageous cooperation between the countries of socialism and Latin America. Mexicans now take the abbreviation "CEMA" itself as a synonym of friendship, mutual assistance, and equitable cooperation.

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## LATIN AMERICA AND THE CARIBBEAN

### BOOK EXAMINES NEW DEVELOPMENTS IN LATIN AMERICAN AGRICULTURE

Moscow LATINSKAYA AMERIKA in Russian No 6, Jun 85 pp 125-126

[Review by Yu.G. Georgiyev of book "'Zelenaya revolyutsiya' i golod v Latinskoy Amerike (nauchno-tekhnicheskaya revolyutsiya, sel'skoye khozyaystvo, prodovol'stvennaya problema)" [The 'Green Revolution' and Hunger in Latin America (The Scientific-Technical Revolution, Agriculture, and the Food Problem)] by M.V. Kulakov, Izdatel'stvo Moskovskogo universiteta, Moscow, 1984, number of copies not given, 176 pages]

[Text] The agrarian sector plays a major role in the economic development of the countries of Latin America. In connection with the "demographic explosion" of the 1950's-1960's, and as the process of industrialization accelerated and the size of the urban population increased, demand for foodstuffs rose sharply. Agriculture, based on relatively backward equipment and technology, is unable to satisfy the population's growing needs for foodstuffs. Therefore, Latin American countries consider modernizing agricultural production through introducing the achievements of contemporary science and technology to be one of the most important ways to solve this problem.

The book under review analyzes the features of the introduction of a number of contemporary achievements of the scientific-technical revolution which sharply increased the yield of certain agricultural crops into the agriculture of the region's countries. In the author's opinion, the basis of this phenomenon which has been called the "green revolution" is the development of new, high-yield varieties and their introduction into agricultural production in the tropical and subtropical zones. As is well known, the yield of agricultural crops depends on their genetic properties and on the technical equipping of agricultural production. The more productive the variety, the higher the requirements for farming sophistication. As Kulakov shows, in regions where high-yield varieties are used, the level of mechanization, irrigation, and use of mineral fertilizers is higher. As a result, "certain regions of highly intensive farming appeared and the 'green revolution' acquired a focused character from the very beginning" (pp 106-107).

The monograph shows that the formation of these foci is not merely a matter of the appearance of technically equipped farms. Their appearance stimulates the development of the production infrastructure and the construction of new roads

and large highly-mechanized grain storehouses. All this makes up the material base for rapid development of capitalist relations in zones encompassed by the "green revolution" and for the appearance of large enterprises not only in the production sphere but also in the sphere of sale of agricultural output.

In examining the facts which prevent the spread of the "green revolution," Kulakov identifies the backward structure of land ownership and land use as the main thing. The need for fundamental changes in traditional land ownership, represented by the "latifundia -- minifundia" [large land ownership, small land ownership] complex, is due, in the author's opinion, to the unreceptiveness of this type of agrarian relations to using the progressive technology of agricultural production (p 65). The spread of the "green revolution" was, as is noted in the study, one of the factors which accelerated the break-up of large estates and transformed traditional latifundias into capitalist farms. Convincing proof of this transformation is the data cited in the book (p 163) which confirms that the share of expenditures for means of production being acquired increases rapidly in medium-sized and large farms while expenditures for those being reproduced decreases. These trends indicate both the accelerated rate of modernization and the fact that agriculture has begun to play an important role in the process of capitalist savings in Latin American countries.

The book reveals the importance of creating a scientific research base and training specialists in the region's countries in order to expand the "green revolution" further. In particular, it emphasizes that because of the dependence of agricultural production on natural-climatic conditions, agriculture more than other sectors of the economy needs to develop scientific research and experimental design work.

The author's evaluation of the prospects of developing agriculture and solving the food problem in the countries of Latin America and his identification of natural-economic, technical-economic, and socioeconomic factors which determine these prospects is of interest. Further dissemination of the achievements of the scientific-technical revolution in the agriculture of Latin American countries "demands as the main condition that agrarian reform be carried out" (p 162).

The monograph is not free from certain shortcomings. Thus, the author ignores the question of the impact of the "green revolution" on the development of agrarian overpopulation. The activities of transnational corporations in the agro-food sphere of the countries of Latin America are not fully exposed.

On the whole the book under review is a necessary study which contains an original interpretation of the "green revolution" and reveals the features of the development of agriculture and ways to solve the food problem in the countries of Latin America in contemporary conditions.

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## LATIN AMERICA AND THE CARIBBEAN

### PLANS FOR UNESCO-SPONSORED HISTORY OF LATIN AMERICA DISCUSSED

Moscow LATINSKAYA AMERIKA in Russian No 6, Jun 85 pp 127-128

[Article by A.N. Glinkin under the rubric "Scientific Life": "General History of Latin America." A UNESCO Project"]

[Text] The "political spring" which Argentina is undergoing has created a favorable atmosphere for the meetings in Buenos Aires of an international forum of scientists -- the first session of the Editorial Committee which is to supervise carrying out a UNESCO project, estimated for six years: the preparation and publication of the nine-volume "General History of Latin America." This work should continue a series of important general historical studies done under the aegis of UNESCO, beginning with the publication of the multivolume "History of the Scientific and Cultural Development of Mankind" completed in the 1970's. Following it were the "General History of Africa" in eight volumes and the "General History of the Caribbean Countries" in five volumes (two volumes have been published) whose preparation began in 1981.

The editorial committee, which has been given very broad powers, was established by the UNESCO General Director on the basis of decisions of the 21st and 22nd sessions of the General Conference of this international organization and in accordance with recommendations of a conference of experts which was held in Caracas in February-March 1983. The committee is responsible for developing the general conception of the "General History of Latin America," confirms responsible editors and authors, approves manuscripts for publication, and so forth. It includes 21 specialists -- historians, sociologists, ethnohistorians, and archeologists appointed by the General Director. Of them, 15 scientists represent the main countries and subregions of Latin America. President R. Alfonsin addressed the session with a congratulatory message for the participants.

The first session of the Editorial Committee in Buenos Aires was attended by 17 standing members, representatives of the UNESCO secretariat, and 5 official observers. The participation of an observer from the USSR in the session's work demonstrated that Soviet Latin-Americanists, whose achievements in studying the history and contemporary social development of the region's countries received wide international recognition, are interested in the UNESCO project. In this connection, the conference justifiably emphasized that the "General History of Latin America" can become an international

project not only in name but in essence only under the condition that it synthesizes the results obtained by all the main schools of Latin American studies which exist in the world today and is compiled with the direct participation of scientists of these schools.

The leaders of the Editorial Committee were elected at its first meeting. Herman Carrera Damas, the Venezuelan historian and sociologist, became the committee chairman. Gregorio Weinberg (University of Buenos Aires), Professor Josefina Vasquez ("Colegio de Mejico"), Professor Esteban de Rezende Martins, and Professor Franklin Pease (director of the National Library of Lima) were elected vice-chairmen. The duties of reporter were entrusted to Professor Alfredo Castillero Calvo of Panama University. The scientists designated formed the bureau of the Editorial Committee which will coordinate and organize work during the period between the committee's sessions, which are convened no more than once a year.

Extensive debate developed over the main point on the agenda: approving the general conception of the "General History of Latin America" and developing working plans for each volume. In the meeting hall representatives of almost all the main directions of contemporary historiography "crossed lances": supporters of traditional-liberal and bourgeois-reformist trends; adherents of structuralism and the by-stage nature of the historical process; and followers of the theories of "unique development" as well as left-radical conceptions and so forth. Professor Moreno Fraginals, director of the Higher Institute of Arts of Havana University, defended the Marxist approach to the problem. His proposal to adopt the thesis of the creative role of the popular masses in the historical process as one of the conceptual principles of the future work was supported by a number of other scientists. In the final report approved by the session, the section describing the fundamental principles of the "General History of Latin America" says: "The committee came to an agreement in regard to the significance of the class struggle in the historical development of American societies."

As the ancients said, truth is born out of controversy. While there was a great diversity of methodological approaches and differences in evaluating actual historical events, unity was revealed on the question of the general conception of the "General History of Latin America," which is called on to make a step forward in the knowledge of the history of the region's peoples. In this connection, a deserved place is attributed to Indian societies which make up the foundation on which contemporary Latin America is based. The planned work cannot be a simple arithmetical sum of the histories of individual Latin American nations. It must reveal the dialectics of the region's historical development and identify the general and the particular in the destinies of its peoples. The innovative nature of the multivolume study, by the intent of its "brain trust," will be the result of creative analysis of the close interaction of all the basic components of the historical process: physical-geographic and climatic; political; demographic; economic; cultural-ideological; and foreign policy components. One of the work's most important tasks is to show the contribution of Latin America's peoples to the history of mankind.

The brief working plans of the individual volumes approved by the conference make the general idea concrete and determine periodization of the region's history. Volume I will be historiographic in character. Volumes II and III should involve the history of pre-Columbian America and the beginning of the "Conquest." Volumes IV-VI will cover the formation and crisis of colonial societies, the struggle for independence, and the birth of new national states. The focus of the last volumes (VII-IX) will be devoted to analyzing the features of national-state development in the second half of the 19th century to our day. A "Note to the Reader" written on behalf of the Editorial Committee will conclude the "General History of Latin America."

The conference of scientists which took place under the aegis of UNESCO could not, of course, be abstracted from that hostile campaign which the United States and some of its NATO allies have waged against this international organization. The response of the members of the Editorial Committee, who expressed certainty that new additional sources of financing the project under discussion will be found when needed, reflected the position of the broad international community which decisively condemns maneuvers designed to undermine UNESCO authority.

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CHINA/FAR EAST/PACIFIC

SUSHKOV ON TRADE WITH JAPAN

Moscow FOREIGN TRADE in English No 7, Jul 85 pp 18-20

[Article by Vladimir Sushkov, USSR deputy foreign trade minister: "Main Trends of the USSR's Trade and Economic Cooperation with Japan"]

[Text]

In more than a fifty-year history Soviet-Japanese trade and economic relations have had many booms and recessions. However, we can say with certainty that a softening of the political climate between the USSR and Japan was always accompanied by an expansion of their economic, scientific and technical ties. For instance, during the 1960s and the 1970s the volumes of Soviet-Japanese trade in fact doubled in each subsequent five-year plan period. Principally new forms of foreign economic relations have been found and successfully progressed.

In 1976-1980 the USSR-Japan's mutual delivery volume topped 12,000 million rubles. The position of Japan's official circles in that period promoted the advancement of this positive process. However, following that period Soviet-Japanese trade growth rates slowed down.

In 1983 for the first time in the last 27 years our countries' trade turnover decreased (from 3,700 million rubles in 1982 down to 3,000 million rubles, or by 18.4 per cent). In 1984 the USSR-Japan's trade turnover approximated 2,900 million rubles, a 3.7 per cent reduction against 1983.

At first the retardation of the Soviet-Japanese trade growth rates was caused by economic reasons. Then, after 1980 the Japanese government began implementing a policy aimed at deterring the economic, scientific and technical exchange with our country. This political change was not in accordance with Japan-USSR official understandings. Thus, for example, the trade agreement (1957) stipulated in Article 2 the "most-favoured-nation treatment". The joint Soviet-Japanese statement (1973) declares that the two countries' governments shall enhance economic cooperation, encourage the conclusion of contracts between Japanese firms and corresponding Soviet organizations

and promote normal and timely realization of these contracts.

In the Agreement between the Government of the USSR and the Government of Japan on Scientific and Technical Cooperation (1973) in Article 4 it is written: "Both Governments shall promote as far as possible scientific and technical cooperation between the two countries' various organizations, departments and individuals." These documents even today meet the two countries' national interests and any deviation from the above-stated voluntarily taken commitments

damages the normal development of economic ties.

Certain political groups in Japan are trying to soften the Japanese business circles' dissatisfaction with the changed trade policy, waive aside the negative influence of political restrictions on economic relations. There is an opinion that the Soviet-Japanese trade turnover is falling due only to market factors. However, this is an erroneous opinion being expressed by an evident minority.

In November 1984 at the meeting of the USSR Parliamentary delegation with the leaders of the Keidanren, Japan Federation of Economic Organizations, held in Tokyo, it was unambiguously stated that curtailment of Japan-USSR's trade was caused mostly by political reasons. Japanese firms come across various

difficulties when trying to obtain state credits for large-scale transactions with Soviet foreign trade organizations. They also have to surmount considerable obstacles when asking for export and import licences. Due to the various restrictions imposed by Japan's administration private firms in recent years have found it impossible to augment their trade turnover with the USSR. This is a fact confirmed by numerous write-ups in Japan's newspapers. In particular, the newspapers stressed that the COCOM's intensified bans, hindered deliveries of advanced technology and the suspension of export crediting directly affected the joint development of Siberia's resources.

Of course, the USSR does not deny the influence of economic factors such as, for instance, retarded growth rates of Japan's economy due to the capitalist depression, the structural shifts which occurred after two oil crises.

Japan's economic shifts, in our opinion, are accounted for by temporary (market) and rather stable (structural) factors. In 1982-early 1983 Japan had to overcome the consequences of a deep world economic crisis. In 1982 for the first time in many years an absolute fall of Japan's industrial output and export volumes was noted and this because of the world market's situation, i.e. temporary factors.

As is well known a reduction in Japan's complete equipment export to the USSR occurred under the sharply aggravated competition on the world market. Japan's total complete equipment export fell from 17,500 million dollars in 1981 to 8,300 million dollars in 1983 and then to a level below 8,000 million dollars in 1984. In such a situation the Soviet steadily growing and absolutely reliable market would have been of great benefit for Japan. However, facts show that Japanese firms lost Soviet orders.

Besides the above situational changes on Japan's market steady structural changes are transpiring due to decreased demands for non-processed raw material, the accelerated process of the country's industrial restructuring (towards reducing its material and power intensity). Increased science-intensity and technological sophistication has become the main development trend of Japan's export. Electronic products including electronic components which are important parts of machinery and equipment will occupy a special place in the

next few years. The significance of new materials will grow and biotechnology will advance.

It should be pointed out that industrial restructuring is more than a one-year process. Creation of a new resource-saving type of economy is a complicated procedure. Progress attained by Japan up to now is a result of using most evident and comparatively easily realized economic factors and in the future it is hardly possible that such high rates of saving raw materials and power can be maintained. Material and power-intensive economic sectors will still play an important role in Japan's economy. Consequently the marketing possibility of selling Soviet oil, gas, coal, non-ferrous metals, timber and other fuel and raw material goods to Japan is good.

The expansion of Soviet exports could solve another significant problem in our bilateral relations, namely: reduce the considerable trade disbalance. Over the last four years the deficit of USSR-Japan's trade balance

topped 6,000 million rubles. Such a high deficit figure is upsetting to Soviet foreign trade organizations.

It would be wrong to solve this problem by curtailing purchases from Japan. The more correct solution is in the further expansion of the mutual trade volume and its balancing at least over a long term. Opportunities do exist.

At present the USSR and Japan are realizing three cooperation projects: the third general agreement on cooperation in exploiting the forest resources of Siberia and the Soviet Far East, an agreement on working the South-Yakutian coal-field, and an agreement on cooperation in prospecting for oil and gas on the Sakhalin shelf. There is another agreement—final prospecting of Yakutian natural gas on a trilateral basis with the USA as the third partner.

The third "timber" agreement, concluded in 1981, is soon to be completed. There is a definite lag between timber purchases and both sides' commitments which must be given special note.

Prospecting for oil and gas on the Sakhalin shelf is now completed. The sides have now to discuss problems on passing to the next stage—development of the discovered oil- and gas-fields, and on crediting matters and deliveries of Soviet gas to Japan.

The importance of complete and timely fulfilment of both sides' commitments under the concluded agreements must be emphasized. The beginning of Soviet coking coal deliveries, continued deliveries of industrial wood and lumber, questions concerning gas and oil deliveries from the Sakhalin project—realization of these projects will substantially improve the existing trade disbalance and impart a mutually beneficial and mutually supplementary character to the two countries' economic cooperation.

To increase the USSR's export we are ready to study the possibilities of cooperation in production, in the sphere of mechanical engineering. Soviet organizations widely use this form of cooperation in trade with Finland, we have experience of such cooperation with West European countries, not forgetting our trade with the socialist countries.

Expansion of Soviet export operations in third countries in cooperation with Japanese firms is considered important. In 1983 the greater exports of Soviet goods such as oil and petroleum products, chemical goods and fertilizers to third countries through Japanese firms were recorded. Transit shipments of Japanese cargoes along the Trans-Siberian Railway must also be mentioned.

Today the main task is to pep up the two countries' trade—expand exports and imports. To this end of great importance is the extension of the range of goods being exported by the USSR to Japan. A desirable feature would be to discuss with Japanese firms the question of arranging in the USSR the production of goods for sale on the Japanese market with due regard to its peculiarities and demands. Meanwhile two forms of such cooperation can be studied, namely: reconstruction and modernization of certain Soviet enterprises which will manufacture these products or construction of a number of new enterprises operating on Japanese technologies.

Speaking about cooperation in production to expand the machinery and equipment trade the possibility of joint production of certain kinds of machines could be researched. We have such a practice with Finland, in the shipbuilding and construction industries particularly.

In Japan new mass production sectors have appeared dealing with new machines, materials, communication facilities, electronics, optics, biochemistry, computer control engineering, robotics, etc.

Not only for Japan but those sectors are new for other countries as well. In our opinion, Japan here takes the leading positions. However, these sectors are not yet spheres of our two countries' scientific, technical, trade and industrial cooperation. We could study the possibilities of such cooperation and determine in what industries and volumes Japan would be interested in selling technology and equipment and also specify potential spheres of scientific and technical cooperation. At first we could suggest, as examples, agriculture, the production of consumer goods and components for tape recorders or the manufacture of colour TV sets.

We would like to mention the possibility of purchasing equipment from Japan to create the so-called operatorless technology. The use of automated facilities and robotics when constructing flexible rearrangeable systems is a good means for raising labour productivity, expanding production and reducing manufacturing costs.

In the chemical industry there is a number of new large and medium projects on which we suggested cooperation to Japanese companies. There are good opportunities for cooperation in ferrous and non-ferrous metallurgy and the coal industry.

It is also possible to expand cooperation in technically re-equipping certain factories by introducing new power-saving technology as well as enlarging some production enterprises constructed with Japanese companies' participation.

We are interested in reconstructing enterprises in the light industry: linen manufacturing enterprises, worsted-woollen cloth factories, workshops processing goat's down and camel's wool, cotton complexes, dye-works, toy factories as well as mills producing knitwear and lace-curtain materials.

Due to the increased foreign trade cargo shipments we find it necessary to expand Vostochny port in the Far East. It is planned to build grain wharfs, complexes for transporting potash salts, for transshipping containers and to extend the coaling complex. We could also consider the question of a complex for perishable goods and arrange cooperation on creating a base for liquid chemical products in the Far East.

In accordance with realization of the USSR Food Programme enterprises for growing and freezing vegetables are to be constructed in the Far East. Prior importance is attached to problems of processing agricultural products, their rational storing, shipment, modern packaging and prepacking.

The USSR is ready to develop cooperation with Japan not only within each five-year plan period but also on longer terms. The Soviet Union has experience of economic, trade, scientific and technical cooperation with the Western countries. It signed agreements and long-term programmes assuring stable trade advancement with many of them. These countries' trade turnover with the USSR is growing more rapidly than that of Japan's.

The USSR repeatedly suggested the conclusion of an intergovernmental agreement envisaging the development of a long-term specific cooperation programme. Due to the on-going reconstruction of Soviet industry products from Japan's quickly progressing science-intensive industries are in great demand. This does not diminish but substantially raises the mutual supplementability of our countries' economic cooperation. This is a good long-term prospect.

The Soviet Union immutably calls for the development of true good-neighbourly relations with Japan based on mutual confidence.

There are all necessary prerequisites for the further advancement of long-term and large-scale mutually beneficial trade and economic ties between the USSR and Japan although their realization requires the two countries' constant efforts and good will as well as a sound business approach that takes the Soviet and Japanese peoples' interests into account.

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CHINA/FAR EAST/PACIFIC

COOPERATION WITH SRV

Moscow FOREIGN TRADE in English No 7, Jul 85 pp 5-8

[Article by Yevgeni Rybalko, USSR trade representative in the Socialist Republic of Vietnam: "USSR-SRV: 30 Years of Beneficial Cooperation"]

[Text]

Over the past thirty years Soviet-Vietnamese trade and economic relations, continuously developing and expanding, have undergone substantial changes.

After the victory in the war of Resistance against the French colonizers (1945-1954) and the signing of the Geneva Agreement on Indo-China (1954) which fixed the Vietnamese people's revolutionary achievements, the Democratic Republic of Vietnam (DRV) entered a new period of restoring and developing its economy. This South-East Asia first workers' and peasants' state faced difficult socio-economic problems of eliminating the consequences of colonial oppression and the prolonged war. In fulfilling these tasks the Vietnamese people were able to rely on the socialist countries', primarily the Soviet Union's, fraternal assistance.

During the official visit of the DRV Governmental delegation headed by President Ho Chi Minh to the USSR, on July 18, 1955, the following documents were signed which laid the foundation for the two countries' trade and economic cooperation: a trade agreement and an agreement on rendering Vietnam assistance in restoring

and constructing a number of industrial enterprises and municipal projects. The Soviet Union took a decision to allocate substantial financial means to Vietnam in order to increase the people's living standards and restore the country's economy.

The agreements signed during the said visit were a sound basis for Soviet-Vietnamese cooperation in the political, economic and other spheres. Trade and economic relations between the Soviet Union and Vietnam are invariably built on the principles of socialist internationalism, full equality and fraternal assistance. Highly evaluating the results of talks held in Moscow, President Ho Chi Minh emphasized that the USSR's disinterested aid rendered to Vietnam strengthened the Vietnamese people's faith in their own efforts, promoted the accomplishment of tremendous tasks facing Vietnam aimed at quickly restoring the economy.

Since the establishment of USSR-Vietnam trade and economic relations 30 years ago the two countries' cooperation has passed through several development stages. At each stage our trade and economic ties were oriented on the fulfilment of specific tasks.

In the period after the signing of the agreement of July 18, 1955, the main tasks of USSR-Vietnam trade and economic cooperation were shaped by the state of Vietnam's economy damaged due to the war the colonizers imposed on it. Knowing the young Republic's difficult economic position the Soviet Union in 1955 and 1956 rendered the DRV gratuitous aid by sending a substantial quantity of goods. Then with the Soviet Union's participation, restoration and construction of a number of economic projects was begun that included seven electric power stations, eight power transmission lines, a tin mine, the Hanoi engineering works, the firstling of Vietnamese mechanical engineering, two tea-processing factories, a fish cannery in Haiphong, etc.

The development of USSR-DRV trade relations necessitated the signing of the Soviet-Vietnamese Agreement on Trade and Navigation in March 1958 which laid the juridical foundation of the two countries' trade and other types of economic relations and it specified the mutual granting of the most-favoured-nation treatment.

During the years of peaceful construction (1955-1964) when the material and technical base of socialism was being consolidated in the country's northern regions the USSR and DRV signed their first long-term agreement on goods deliveries (1961-1965). Under this agreement machinery and equipment, ferrous and non-ferrous metals, petroleum products, chemical fertilizers, cotton fabrics constituted the major portion of Soviet goods exported to Vietnam. This promoted fulfilment of the task of creating socialism's material and technical base and raising the Vietnamese people's well-being set by the 3rd Congress of the Workers' Party of Vietnam.

In 1961-1964, with the USSR's technical assistance many state-farms were reformed, modernized and supplied with modern machinery. A network of high-capacity pump-houses was built which helped solve the problem of irrigating substantial areas in North Vietnam's plains. During that period many industrial enterprises for processing agricultural produce were constructed. Along with assistance in developing the power engineering potential by constructing such projects as the Thac Ba hydro-electric power station, the Uong Bi thermal power station and a number of coal extractive enterprises, the Soviet Union also helped the DRV create a machine-building industry. In addition to construction, reconstruction and modernization of the Hanoi engineering works a great number of repair enterprises and others for manufacturing spare parts were built. During that period, with Soviet assistance, the country's transport system was modernized. All in all by late 1964, with the USSR's participation enterprises and other projects in Vietnam's various economic sectors had been built.

As DRV economy was restoring and strengthening its export volumes of products such as parquet frieze, plywood and sliced veneer, light industry products, handicraft and art wares, tropical goods and products processed from them to the USSR increased.

In late 1964, when the USA started its overt military aggression against Vietnam, a new stage of Soviet-Viet-

namese trade and economic relations began. At the time the Soviet Union expanded its economic assistance to Vietnam as it was necessary to help the Vietnamese people maintain their home front in the struggle against US aggressors.

The Soviet Union supplied Vietnam with goods the Republic needed most of all at that period: lorries, tractors, bulldozers, excavators, various transportation facilities, petroleum products, ferrous and non-ferrous metals, chemical fertilizers, foodstuffs, industrial and consumer goods, etc.

Between 1965 and 1972 Vietnam received from the USSR 19,500 lorries, two million tons of petroleum products, 367,000 tons of rolled ferrous metal, 435,000 tons of chemical fertilizers, 1.2 million tons of wheat flour, 128 million metres of fabric, medicines worth 8.7 million rubles, diverse household and recreational facilities worth 13.7 million rubles.<sup>1</sup> During those years great volumes of various goods were supplied as gratuitous economic aid to the DRV.

In July 1973 during the visit of the DRV's Party and Governmental delegation to the Soviet Union the CPSU Central Committee and the Soviet Government, in keeping with their invariable internationalist position concerning support to the fraternal Vietnamese people and the needs of the Democratic Republic of Vietnam decided to consider the credits granted to Vietnam by the Soviet Union in previous years for its economic development as gratuitous aid. A principled understanding on rendering the Democratic Republic of Vietnam assistance in restoring and advancing its economy was reached.

After Vietnam's full liberation in 1975 and the formation of the Socialist Republic of Vietnam (SRV) in 1976 Soviet-Vietnamese relations entered a new important stage characterized by all-round development of the two countries' cooperation. Soviet-Vietnamese trade ties advanced. On October 30, 1975, the second long-term Soviet-Vietnamese Agreement on Trade and Payments (for the 1976-1980 period) was signed providing for the two countries' substantial trade growth compared to that in the previous five-year period.

When realizing this agreement the USSR-SRV trade turnover was 2,364.1 million rubles, exceeding the level reached in 1971-1975 by 2.6 times.<sup>2</sup>

In 1976-1980 the Soviet Union supplied Vietnam with goods worth 1,713 million rubles including: machinery

and equipment 791.5 million rubles (46.2 per cent), petroleum products—140.3 million rubles (8.2 per cent), wheat and flour—284.9 million rubles (16.6 per cent), lint—110.5 million rubles (6.4 per cent), etc.<sup>3</sup> Among the goods of the first group equipment and materials supplied for the projects constructed in Vietnam with Soviet technical assistance had a special place.

In the last five-year plan period a new form of the two countries' cooperation—cooperation in production, with the customer supplying his raw material, in the light industry, in carpet manufacture and ship repair started and is successfully progressing.

Those years witnessed an important event in the development of Soviet-Vietnamese cooperation—on November 3, 1978, an Agreement on Friendship and Cooperation between our countries was signed which became a principle document regulating all aspects of the USSR-SRV's cooperation. This agreement gave a new powerful impetus to the deepening and expansion of versatile ties between our Parties, countries and peoples. Le Duan, General Secretary of the CPV Central Committee, pointed out that over the past years, especially those since the signing of the Vietnamese-Soviet Agreement on Friendship and Cooperation, the relations of fraternal solidarity between our Parties and states became still stronger and Vietnamese-Soviet ties in all spheres advanced to a new and higher level.

The present stage of Soviet-Vietnamese cooperation is characterized by the dynamic development of the whole complex of our relations, new forms of cooperation and a persistent search for ways of perfecting, strengthening and raising the effectiveness of our mutual ties. Our economic cooperation is becoming closer and coordination of the two countries' economic plans is deepening.

While speaking about economic cooperation it should be mentioned that a great industrial potential has been created in Vietnam with the Soviet Union's assistance. Now over 200 various Soviet-assisted industrial projects are operating or under construction. These projects even today satisfy, to a great extent, the SRV's economic requirements for such important products as electric energy, coal, tin, sulphuric acid, cement, apatites, superphosphate, metal-cutting machine tools, etc.

In 1984 alone many large Soviet-Vietnamese cooperation projects were put into operation, among them: the

second 110,000 kW power unit at the Pha Lai thermal power station, the second stage of the Bim Son cement factory (annual capacity 600,000 tons of cement), the second stage of the Lam Thao superphosphate factory, the Pha Lai-Ha Dong 110 kV power transmission line and the first stage of a factory manufacturing galvanic cells. The construction of the Hoa Binh hydro-electric power station, the largest in South-East Asia, successfully continues. In 1985 the unique giant Thang Long bridge will be opened to traffic.

A joint enterprise for prospecting for oil and gas on south Vietnam's continental shelf is a new promising trend of Soviet-Vietnamese cooperation. Work on new cooperation projects—the Tri An hydro-electric power station (400,000 kW), a power transmission line and substations, the Hanoi-Ho Chi Minh multichannel radio-relay communication line, etc. has begun.

Along with economic cooperation our countries' trade ties are expanding.

The mutual trade turnover in periods since the establishment of our countries' trade and economic relations is given in the following table:

(mln rubles, in prices for the corresponding years)

	1956— 1960	1961— 1965	1966— 1970	1971— 1975	1976— 1980	1981— 1984
Trade turnover	109.0	388.6	764.1	899.6	2,364.1	4,303.4
Soviet export	61.2	247.7	674.5	727.4	1,713.3	3,436.9
Soviet import	47.8	140.9	89.6	172.2	650.8	866.5

Soviet-Vietnamese trade during all these years is clearly characterized by its steady growth; the Soviet delivery volume substantially exceeded the goods import from Vietnam. Vietnam's negative balance was covered by Soviet credits granted on favourable terms. Since 1975 Vietnam's goods deliveries to the USSR have grown at outstripping rates—a fact witnessing normalization of the country's economic situation and its increased export potential.

In the current five-year plan period Soviet-Vietnamese trade and economic cooperation is stimulated still more. The Soviet Union is still the major trade partner of the Socialist Republic of Vietnam.

In 1984 the USSR portion constituted 64 per cent of the SRV's foreign trade volume, including 48 per cent of its total export and 68 per cent of the country's total import.<sup>4</sup>

Over the first four years of the current five-year plan period the USSR-SRV's trade turnover reached 4,300 million rubles. In 1982 it, for the first time, exceeded 1,000 million rubles and in 1984 amounted to 1,300 million rubles, an 11 per cent increase above the 1983 level.

In 1981-1984 the Soviet Union supplied Vietnam with petroleum products, rolled ferrous metals, cotton, various motor vehicles, industrial and consumer goods.

Although the SRV's share in the Soviet Union's foreign trade volume is rather small (in 1983—0.9 per cent) nevertheless in 1983 the USSR satisfied 96 per cent of its import demands for pineapples, 60 per cent for red pepper, 14 per cent for bananas, 9.6 per cent for cigarettes, 8.6 per cent for natural rubber, 7.8 per cent for jute, 7.3 per cent for coffee, 7 per cent for tea and 2 per cent for clothing from Vietnamese deliveries.<sup>5</sup>

USSR-SRV trade and economic cooperation practice convincingly demonstrates all its advantages: the Soviet Union's capacious and stable market for Vietnamese export goods makes further expansion of the two countries' trade relations possible and strengthens Vietnam's foreign economic ties with the Soviet Union. It creates reliable prerequisites for intensifying production, raising labour productivity and on this basis development of the national economy, stabilization and improvement of the Vietnamese people's living standard and creation of its own large-scale foreign trade.

Cooperation in the production of fruits and vegetables in the SRV for their export to the Soviet Union takes a special place in Soviet-Vietnamese trade relations. In January 1985 a USSR-Vietnam Intergovernmental Agreement was signed envisaging a wide-scale programme of cooperation in this sphere for 1986-1990. The outlined programme plans the creation in Vietnam with USSR assistance of agro-industrial complexes for producing fruits and vegetables, construction and reconstruction of a number of canneries and drying enterprises, building of cold-storage and cooling warehouses and enterprises manufacturing packaging.

Realization of this programme will substantially promote the development of Vietnam's modern export fruit and vegetable production fully meeting the foreign market's requirements.

Another important trend of our countries' cooperation is our successful interaction raising the effectiveness and prolonging Soviet machinery's service life by setting up a maintenance system in Vietnam. Under the Soviet-Vietnamese Intergovernmental Agreement of November 21, 1977, concerning cooperation in further improving the maintenance of machinery, equipment and devices supplied by the USSR to Vietnam, a network of maintenance enterprises is being created in Vietnam which will include 50 maintenance depots for servicing tractors and agricultural machinery, 27 depots for servicing vehicles, 33 workshops for servicing road-building machinery, a number of presale servicing points for vehicles and tractors, depots for technical servicing diesel locomotives, warehouses for spare parts, a vocational school training specialists for servicing vehicles; 114 maintenance depots are already operating. Implementation of this Agreement and proper operation of the commissioned projects will undoubtedly raise the effectiveness of Soviet machinery and equipment supplied to Vietnam and, in the long run, that of Vietnam's various economic sectors.

At present the two countries' planning and foreign trade bodies are determining the volumes of Soviet-Vietnamese trade and economic cooperation for the 1986-1990 five-year plan period.

In this work they proceed from the resolutions of the CMEA member-countries' Summit Economic Conference held in Moscow, June 1984, outlining the strategic directions of a comprehensive and all-round use of the advantages of the socialist system, its tremendous possibilities for the peaceful advancement of productive forces. Main accent will be placed on the development of those aspects of our relations which are specified as priority ones in the Long-term Programme of Development of Economic, Scientific and Technical Cooperation between the USSR and the Socialist Republic of Vietnam signed in Hanoi, October 31, 1983. In particular it is planned to concentrate efforts on cooperation in agriculture, in fuel and power engineering, in metallurgy, mechanical engineering, the chemical and oil-refining industries, in transport and

communications as well as in geological prospecting. Realization of this programme will help Vietnam fulfil its socio-economic tasks: ensure the Vietnamese people's self-provision with foodstuffs, solve the employment problem, make a great step towards consolidating the material and technical base of socialism, assure the necessary prerequisites for expanding Vietnam's export base and increase Vietnamese goods deliveries to the Soviet Union.

The relations of fraternal friendship and comradely co-operation, the Soviet Union's and Vietnam's mutual interest in their further development, the community of the Soviet and Vietnamese people's key interests are the pledge of successful accomplishment of the tasks outlined in the Long-term programme.

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<sup>1</sup> *Foreign Trade*, No. 7, 1980, p. 3.

<sup>2</sup> Based on *USSR Foreign Trade* statistical data for the corresponding years.

<sup>3</sup> Based on *USSR Foreign Trade* statistical data for 1976-1980.

<sup>4</sup> *Quân đội nhân dân*, March 2, 1985.

<sup>5</sup> *USSR Foreign Trade*, 1983, Collection, Finansy i statistika Publishers, Moscow, 1984.

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**CSO: 1812/323**

MIDDLE EAST/NORTH AFRICA/SOUTH ASIA

TRADE AGREEMENT WITH YAR

Moscow FOREIGN TRADE in English No 7, Jul 85 pp 53-54

[Text]

The Government of the Union of Soviet Socialist Republics and the Government of the Yemen Arab Republic, hereinafter referred to as the Contracting Parties,

proceeding from the spirit of friendship and cooperation between the two countries,

being guided by the existing and constantly developing relations between them based on the principles of equality, mutual benefit and common interests, have agreed as follows.

Article 1

The Contracting Parties undertake to take all measures in their power to develop trade between the two countries.

Article 2

Proceeding from their best intentions, the Contracting Parties shall accord each other the most-favoured-nation treatment in all matters pertaining to trade between the two countries.

The most-favoured-nation treatment shall also apply with respect to all matters, pertaining to customs duties and charges of any nature, imposed on imports or exports, with respect to levying the above charges and taxes, as well as the rules and formalities for exemptions from customs duties, and with respect to the issuance of export and import licences.

### Article 3

Trade exchange between the two countries shall be effected on the basis of Lists "A" and "B". Lists "A" and "B" attached to this Agreement include the goods to be exported by either Contracting Party to the other country.

List "A" contains goods to be exported from the Union of Soviet Socialist Republics to the Yemen Arab Republic, and List "B" contains goods to be exported from the Yemen Arab Republic to the Union of Soviet Socialist Republics.

The Contracting Parties reserve the right to make by mutual agreement subsequent changes in Lists "A" and "B".

This, however, shall not impede trade between the countries in articles and goods not mentioned in Lists "A" and "B".

The export and import of goods between the two countries shall be effected in accordance with export and import laws and regulations in force in the USSR and the Yemen Arab Republic.

### Article 4

Merchant ships of either country and cargoes on board these ships shall be accorded the most-favoured-nation treatment with respect to privileges and rights to call at and leave ports of the other country, as well as with respect to ship dues and conditions of stay of the ship of either country in the port of the other country.



### Article 5

Trading organizations, legal and physical persons of either country must obey the laws and local regulations and respect the religious traditions and local usages of the country of stay, and shall not interfere into internal affairs of the other country.

#### **Article 6**

The most-favoured-nation treatment provided for by this Agreement shall not apply to:

(a) special rights and advantages which the Government of the Yemen Arab Republic has granted or will grant to one of the Arab countries;

(b) privileges which have been granted or will be granted by either Contracting Party to a neighbouring state for the purpose of facilitating frontier trade.

#### **Article 7**

The Contracting Parties shall endeavour to ensure the equality of values of mutual deliveries of goods from the USSR and the Yemen Arab Republic.

#### **Article 8**

Payments for goods to be delivered under this Agreement shall be effected in freely convertible currency in accordance with laws in force in the USSR and the Yemen Arab Republic.

#### **Article 9**

Representatives of competent authorities of the Contracting Parties shall meet, as and when necessary, to settle matters arising in connection with the implementation of this Agreement and work out the appropriate recommendations on them.

#### **Article 10**

This Agreement shall enter into force on the day of exchange of the instruments of ratification by the competent authorities of both countries. It will be valid for five years. Thereafter it will be automatically extended for consecutive yearly periods until either Contracting Party makes a written notice to the other Party of its desire to denounce it not later than 6 months prior to expiry of the appropriate period.

## Article 11

On the date this Agreement becomes effective it shall supersede the Trade Agreement between the two countries of March 8, 1956.

Done in Moscow on October 10, 1984, in two originals, each in the Russian and Arabic languages, both texts being equally authentic.

For the Government of  
the Union of Soviet Socialist Republics  
N. PATOLICHEV

For the Government of  
the Yemen Arab Republic  
MUHAMMAD  
al-Khadim al-Wajih

ANNEX  
to the Trade Agreement between  
the Government of the USSR  
and the Government of the Yemen  
Arab Republic of October 10, 1984

## LIST "A" goods for export from the USSR to the Yemen Arab Republic

Machinery miscellaneous, including  
compressors, pumps, equipment for electric power stations, milling equipment (millstones, etc.). machine-tools (woodworking, metal-working)  
Equipment for the processing of leather and manufacture of footwear  
Construction equipment  
Agricultural machinery miscellaneous, including tractors, ploughs, seed drills, etc.  
Fire-fighting equipment  
Electrical equipment, including motors, power-generating mobile stations, transformers, etc.  
Cars and trucks  
Motorcycles and bicycles  
  
Cutting tools, abrasives, hard alloys  
Measuring tools and instruments  
Precision instruments  
Optical instruments  
Typewriters  
Calculators  
Slide rules  
Drawing instruments  
Radio sets  
Sewing machines  
Photographic accessories

Watches and clocks miscellaneous  
 Sports guns and hunter's accessories  
 Medical and pharmaceutical items  
 Chemicals  
 Inks and paints  
 Timber (sawn timber, plywood)  
 Construction materials  
 Asbestos  
 Ferrous rolled products  
 Newsprint and other paper  
 Sugar  
 Agricultural crop seeds  
 Petrol, kerosene and diesel oil  
 Cotton, woollen, artificial silk and thread  
 fabrics  
 Carpets miscellaneous  
 Plastic products  
 Electric bulbs  
 Chinaware and glazed earthenware  
 High voltage insulators  
 Cinematographic films  
 Matches

**LIST "B"**  
 goods for export from the Yemen Arab Republic to the USSR

Coffee	Walnuts	Salt
Cotton	Tobacco	Mineral water
Oil crop seeds (cotton, mustard, sesame, castor)	Henna	Potatoes
Vegetable oils (sesame, mustard)	Leather	Onions
Raisins	Cereals miscellaneous	Garlic
Almonds	Marble	
	Gypsum	

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MIDDLE EAST/NORTH AFRICA/SOUTH ASIA

COOPERATION WITH INDIA ON MHD PLANT

Moscow PRAVDA in Russian 26 Aug 85 p 6

[Article by O. Kitsenko, PRAVDA correspondent: "The Energy of Creation: Soviet-Indian Cooperation"]

[Text] In the South Indian city of Tiruchchirapalli, or Tiruchchi for short, the successful start-up took place on 16 August of the MHD [magneto (generator)-type hydrodynamic] power plant--a child of Soviet-Indian cooperation in one of the newest fields of scientific and technical progress. Such plants allow thermal energy to be transformed directly into electric power, and the electric power stations created on their base have a significantly higher efficiency than thermal stations.

"We are becoming the second country in the world after the Soviet Union to approach the milestone of the practical application of this new method for producing electric power," states the project's director, S. Sridaran. "The capacity of this plant is still not great--only 5 megawatts, but the main thing is that practically all the basic scientific and technical problems connected with its creation have been solved. Now we are confronted solely with the problem of time and means so as to follow in the footsteps of the Soviet Union in proceeding to build such electric power stations for industrial purposes.

Indian engineers showed me the MHD plant, as well as the oxygen and compressor workshops connected with it, and the coal-gasification workshop. In contrast to Soviet MHD plants, the Indian plant has coal serving for fuel, since India has large reserve supplies of it. This has posed an entire series of new scientific and technical problems for the specialists here.

"We have been able to solve them thanks to cooperation with Soviet scholars from the Moscow Institute of High Temperatures of the USSR Academy of Sciences," states Doctor S. Arunachalam. "Many of us were trained in the Soviet Union; we have very close contacts with our Soviet colleagues. The aid of such major specialists as S. Pashkov, Ye. Shishkov, with whom we have been cooperating since our first few steps, and many of their other colleagues, is simply impossible to put too high a price upon. Without their know-how and experience, which they have generously shared, the solution of many problems would have been extremely difficult."

But, of course, the success of the work on the MHD plant is the result, above all, of the enthusiasm of the participants in the project. These are basically engineers who are under 40 years of age. Most of them have been working in this scientific group for at least 10 years, have become good specialists, and consider their work to be the main thing in their entire life. "We understand what great importance the success of this work has for India. We are inspired by the striving of Prime Minister Rajiv Gandhi to speed up the development of science and technology in this country. The work here is proceeding precisely along this line, and we want to accomplish the maximum possible," stated the young engineers Sambi Reddi and Selva Kumar, as they were showing me the plant.

"The initiator of this project, its true father, was Doctor Rama Prasad, who died a year ago," stated S. Sridaran. "An understanding of this project's great importance, an ability to look far on ahead, and his faith in success inspired us all."

In 1977, when work on the plant had hardly begun, I had occasion to become acquainted with Doctor Rama Prasad. This occurred at a Russian-language lesson, a language which he was studying together with his leading colleagues. Having settled myself into a corner of the large room, I observed with what zeal this scientist was taking part in the class exercise, actively answering the questions and penetrating into each remark by the instructor. Rama Prasad later told me about the plant, which was still in the blueprint stage. "You know," he said, "I do not doubt for a moment our success. And this is mainly because the Soviet Union has agreed to help us; in this field it is far ahead of all other states. Your country has, in fact, proved that it is our real friend, sincerely interested in India's rapid development. Take the field which is closest of all to me--electric-power engineering," my fellow-conversationalist continued. "The USSR has helped us to create several high-capacity electric-power stations. The corporation Bharat Heavy Electricals, which is carrying out our project, with your country's aid has built a large plant in the city of Khardvar in order to manufacture heavy electrical equipment."

I recalled these words, upon becoming familiar with the large steam-boiler plant which has become part of the corporation; it was built with the cooperation of socialist Czechoslovakia. This plant is situated right next to the MHD plant; its workers helped in manufacturing the necessary equipment for the MHD plant.

At present approximately 60 percent of the electric power in India is produced at electric-power plants which have been furnished with equipment turned out by the plants in Khardvar and Tiruchchi.

The project of the MHD plant is the second object of the corporation for heavy electric-machine building to be carried out with the Soviet Union's cooperation. However, as I was justifiably told, it is of particular importance. The start-up of India's first MHD plant, the Indian specialists emphasized, will exert a revolutionizing influence on future Indian electric-power engineering.

In 1992 development is scheduled to begin on the first large-scale MHD electric-power plant. Thus, even before the end of the century MHD electric-power engineering will make its appearance in India.

Tiruchchi is one of those Indian cities where the achievements of ancient civilization have found their own amazing continuation in the no-less outstanding accomplishments of the present day. The inhabitants of ancient Tiruchchi left to their descendants an impressive fort and Hindu temples of splendid architecture. At a distance of 20 kilometers from Tiruchchi to this very day people are being served by a thousand-year-old dam--a true marvel of the engineering art. The contemporary city has become a continuation of the past; it has wide thoroughfares, well-laid-out houses, schools, medical institutions, clubs, motion-picture theaters, and sports facilities.

Life has given the new city a heavy machine-building plant and the building of the MHD plant--fruits of the cooperation between India, the Soviet Union, and Czechoslovakia.

2384

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MIDDLE EAST/NORTH AFRICA/SOUTH ASIA

BRIEFS

IRAQI DELEGATION IN TASHKENT--The Days of Soviet-Iraqi Friendship are continuing in Uzbekistan. Chairman of the Uzbek SSR Supreme Soviet Presidium A. U. Salimov received the envoys from the Republic of Iraq. The guests heard about the development of the economy and culture of the republic and the participation of the workers of Uzbekistan in the struggle for establishing friendship between peoples and for strengthening peace on earth. The Iraqi delegation visited the Tashkent affiliate of the Central Lenin Museum and viewed the sights and regions of new construction in Tashkent. [Text] [Tashkent PRAVDA VOSTOKA in Russian 21 Aug 85 p 1]

AFGHAN CHILDREN VACATION IN KIRGHIZIA--The yearly invitation to Afghan children to vacation in our country has become a good tradition of fraternal friendship and solidarity between the Soviet people and the heroic people of the Democratic Republic of Afghanistan. Today a new meeting took place at the Frunze airport "Manas"--200 Afghan children arrived for a vacation in Kirghizia. Representatives of party, soviet, trade union and Komsomol organizations of the republic arrived at the airport to meet the children from Afghanistan and those accompanying them. A large number of the children wearing the neckerchiefs of Afghan pioneers are children of patriots who died in the struggle for the independence of their homeland, in clashes with the dushmans. A.O. Omurova, chairman of the republic staff for organization of the international exchange at the Pioneer Camp "Stroitel" and secretary of the Kirghiz Council of Professional Unions gave a short greeting to the guests. [Excerpts] [Frunze SOVETSKAYA KIRGIZIYA in Russian 4 Aug 85 p 2]

INDIAN YOUTH DELEGATION VISITS TASHKENT--Tashkent PRAVDA VOSTOKA in Russian for 8 August 1985 carries on page one a 300-word article about the visit of an Indian youth delegation to Uzbekistan following their attendance at the youth festival in Moscow. In addition to visting the sites of Tashkent the group attended meetings at some of the enterprises in the city, including the Tashkent Tractor Plant and the Tashkent Agricultural Mashinery Plant. One member of the delegation, Bapur (Dzhaktab), remarked favorably on the "spirit of friendship" during the days of the festival in Moscow. The Indian guests also "participated in the holiday of the youth of Tashkent" and took part in a concern. [Editorial Report]

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